WHY THE CAPITALIST?

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WHY THE CAPITALIST?

A Refutation of the Doctrines Prevailing in Conventional Political Economy.

BY
FREDERICK HALLER

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INTRODUCTION

John Stuart Mill, in the preliminary remarks to his "Principles of Political Economy," says:

"It often happens that the universal belief of one age of mankind—a belief from which no one was, nor without an extraordinary effort of genius and courage, could at that time be free—becomes to a subsequent age so palpable an absurdity, that the only difficulty then is to imagine how such a thing can ever have appeared credible."

Turgot spoke of the art "of those who set themselves to darken things that are clear to the open mind." He said:

"This art consists in never beginning at the beginning, but in rushing into the subject in all its complications, or with some fact that is only an exception, or some circumstance, isolated, far-fetched or merely collateral, which does not belong to the essence of the question and goes for nothing in its solution. * * * Like a great geometer who treating of triangles should begin with white triangles as most simple, in order to treat afterwards of blue triangles, then of red triangles, and so on."

Add to the foregoing the thought that the writers on political economy, like the generality of mankind, are all constantly influenced by their own desire to attain pleasure and avoid pain; in other words, are swayed by material interests, and we shall have all the reasons why political economy is still spoken of as the dismal science.

I am actuated by the same motives that actuate the generality of mankind. I avow my amenability to the same influences. Besides all that, I claim that the experiences of my own life have given me an incentive to pursue an uncommon course of study in such an uncommon way as to enable me to see farther, and to distinguish more clearly the things that will afford me real pleasure and shield me from pain. Therefore this book, the purpose of which is to trace the sequence of cause and effect in that branch

of study which deals with the nature of society and its canons of production and distribution.

The twenty-one chapters of argumentation following are devoted to an analytical discussion of the economic doctrines that constitute the basis of business, and cause the destructive conflicts and confusion now wracking human society. The discussion in these twenty-one chapters proceeds from effect to cause; taking things apart, as it were, to examine into the nature of each part and see how all the parts have been put together.

The observations made in conclusion are synthetic. The discussion there proceeds from cause to effect, and the purpose is to put accepted parts together in logical order and connection to see as nearly as we may the kind of product that will result. The many changes in human society that must of necessity follow from the abolition of individualism in the control of the resources of nature and the means of production are pointed out in a general way.

The intricate ramifications and the many qualities and overlappings of interests, roles and characters, and their frequent commingling, blending and shading, is one of the principal reasons why the subject of political economy has been considered complex and why its serious study has not been made attractive by any of the many writers who have heretofore given the subject attention.

In all the important divisions of present society there are those who severally sustain at one and the same time, and again at different times, widely differing roles of entangled, conflicting interests. These differing and conflicting interests have to be disentangled and analyzed so as to separate the natural and inherent from the artificial and acquired, the true and abiding from the false and shifting. To trace forward these different and divergent lines of consideration without resulting weariness calls

for a treatment of the whole subject matter in a manner not yet essayed by any other writer so far as I have been able to learn.

I believe that I have met the special requirements of an intelligent presentation of the subject matter by means of the simple device of grouping the members of society into classes and orders, according to their natural and inherent interests, as well as according to their artificial and acquired interests; and by giving to each class and to each order a designation, a rank and a personification that identifies it with its respective functions, influences and tendencies that have grown out of and that rest upon those several interests.

The plan of the arrangement is intended to enable the reader to hold all the groupings in their respective classes and orders, and to hold apart all their respective interests, thereby to facilitate the operation of carrying them forward separately through the argument.

The class that has dominated humanity and dictated its politico-economic dogmas throughout historic times is herein designated the "morgan." The class that has been dominated by the former and by those politico-economic dogmas I have designated the "gentile." I have adopted these designations, not because of any claim that they are the best that possibly could be found, but because they are the best that I could find. These designations are not arbitrary. They recommend themselves to me because they each have attributes that render them appropriate.

The word "morgan" comes to us from the age of legend. It was the name of a fay that was particularly adept in casting spells and in preparing and administering overpowering draughts and poisonous cups. It was also the name of a noisome weed that sometimes became intermingled with wholesome forage and caused serious loss when eaten by domestic animals. It was also at one time

the name given to a counterfeit coin. The word has also been used to signify any indifferent and specious sort of issue, as in the phrase, "a good enough morgan till after election."

I believe that these associations of thought, even if there were no other, are sufficient to relieve me from all charge of having committed any violation upon language, and sustain me in using the substantive "morgan" in a generic sense to signify the spirit that subjugates by means of covin, chicane and violence.

The term "morgan" is intended to represent in this work the class in human society that is possessed of the discordant spirit that is always hostile to the fraternal spirit of gentile society; the class that interrupted the growth of gentile society by introducing individual prowess and a diverting obstruction to the peaceful evolution of the human race in order to establish a reign of dominering vainglory.

The word "gentile" comes to us from our remote ancestors who lived in a form of society based on kinship and the interests of kinship. The individual belonged in the kinship group called the gens, the several gentes were grouped into tribes and the tribes were grouped into nations, or confederations. Private property in the resources of nature or in the means of social production was unknown in that form of society. No individual had an unsocial interest. There were no interests adverse to the common interest of the nation, tribe and gens.

The term "gentile" as employed in this work is intended to represent the masses of humanity whose true and lasting interests are still social and gentile; those who are deprived by the state and by the law of all their portion of that which nature furnishes spontaneously; those who are deprived of all their share and portion of the vast benefits that flow from the accumulation and merging of the thought,

labor and experience of our common ancestors; those who are deprived of all their share and portion of the benefits that flow from the natural extension of human power by reason of the very existence of the contemporary social body; and particularly who by reason of their expropriation of all the riches and benefits referred to, are compelled to buy their livelihood with their labor power, under terms forced upon them by the predicament in which they are placed, and then are despoiled of far the greater part of that also which is produced by their labor.

WHY THE CAPITALIST?

CHAPTER I.

PROPERTY.

Property, in the commonly accepted sense, consists of that which belongs exclusively and permanently to a person and cannot be taken from that person without his consent. It means full, complete and absolute title.

Property in its essential and true nature means the assurance that the state will at all times exercise all of its power to exclude all other persons than the owner from all use and enjoyment of the thing of which ownership is claimed. It includes the full and complete right of the owner to consume, obliterate and to completely destroy.

The right to consume, obliterate, destroy and to exclude others is the essence of all claims of ownership.

All nature, however, denies and is constantly disputing the claim to absolute ownership of anything save and except one thing only, and that one thing is service. Despite all that man has ever done, can now do or ever will be able to do, nature is constantly denying, and she laughs to scorn, all claims and pretensions to private ownership excepting only in the one thing stated, namely, service. In all the rest of man's proudly asserted wealth in material things, nature vouchsafes to him only a usufruct. His ownership of service, however, when acquired, is complete. He uses it and in using it consumes the right, leaving not the slightest remnant or vestige.

Not so as to his other claimed ownership. His title

to land and chattels which nature allows, does not differ in the slightest degree, in principle, from the title he has in a lung full of air. The only difference is that he asserts dominion over one a little longer than over the other. Every molecule of air that he inhales is hardly within his lungs but it immediately turns upon its heels and rushes out again. He could not hold it in absolute ownership if he would, and would not if he could. The water he drinks he holds but a little while longer than the air he breathes, the food he eats yet a little longer, the nutriment his system extracts from the food a little longer still. The clothes he wears, his gold, his automobile, his house, all obey the inexorable law, whether he wishes it or not, consents or protests.

Man does not and cannot exercise complete dominion over the slightest particle of matter. Do what they like, all mankind by their united efforts could not obliterate, render into nothing, a single acorn. Every atom of that acorn has existed throughout the eternal past. It is destined to continue in never ending transmutations, and will continue to exist throughout the eternity of the future. Who can doubt that each of these atoms will enter into every form of existence and in due course again enter into the formation of other acorns countless millions of times? Where then is the basis of man's assertion of ownership of material things? All that he has is a usufruct. He has nothing more than the right to use for his own maintenance and present life and so far as his maintenance and life is to be subserved, he can rightfully exclude all others for the time being from the material things he is using. There is but one thing acquired by him that he completely uses up, consumes, Service is the only thing that under nature's laws he can assert complete ownership or dominion over.

Man's mind is over-powered by a simple phenomenon

of nature. His needs give to him temporary dominion over so much of matter and of nature's forces as are required to satisfy the requirements of his life. From this he assumes, erroneously, a perpetuity of ownership and dominion vested in himself and extends that ownership and dominion over everything and over so much of everything that he can exclude others from. He falls into the way of thinking that as a matter of course, all that is necessary to give absolute ownership is to exercise against others the physical power of exclusion.

If a morgan had power to exclude the rest of mankind from the Atlantic Ocean, or from Lake Erie by virtue of the size and reach of his bludgeon, or by virtue of the power of state arrayed on his side, then this morgan would also actually believe that he alone owned the ocean, or the lake, and everything contained in the lake. The extent of his ratiocination would be that his power to club off all other men, or have the state to club them off for him, gave to him the right of absolute ownership over everything coming within the reach of such power. He plants himself upon this to him sufficient right of property and promulgates and has others, parading as censors of morals and sage counselors, to preach and teach into the minds of the excluded humanity a special system of morals and learning on the rights of property.

These censors and sages have given together a veritable Augean stable of theology and jurisprudence. All is designed to cover up and carefully conceal the cardinal fact that the claim of perpetual ownership in material things rests entirely upon the power to exclude. The mass of humanity has been kept so busy quarreling about inconsequential things that they have had no time left to inquire into the basis of the claim of property so successfully asserted by the real trouble makers, past and present.

Some of the conventional economists use the term "free goods of nature" as applied to air, water, sunheat, sunshine and such other things as the morgan has not yet been able to exclude us from. They concede that these "free goods of nature" cannot be property, but say that none of the other needful things furnished by nature are "free goods" because they can be and have been appropriated by individuals. For instance, the atmospheric air that we breathe consists of about 76.7 per cent nitrogen and 23.2 per cent oxygen and 0.1 per cent carbonic acid gas, besides the watery vapor. Nitrogen therefore exists in illimitable quantities in the atmosphere about the earth. Nitrogen also enters largely into the foodstuffs, containing albumen and fibrine such as meat, fish, eggs, milk, beans, peas and many other foods produced by nature in her laboratory. You could not have beans, or any of the other things mentioned, if there were not any nitrogen about. Nitrogen when taken into our lungs as an ingredient of the air we breathe is conceded to be one of the "free goods" of nature because no morgan is yet able to expropriate us of it in that form; but when this nitrogen is in the beans we eat, even aside from the value created and imparted to the bean by labor, it is not at all regarded as one of the "free goods" of nature, because the morgan has been able to expropriate us of it in this form. That is all the difference. If you take nitrogen into your lungs as a dilutor of the oxygen, it is free. If you want to take it into your stomach for nourishmen, it is not free, but is private property, and you will have to make yourself a slave of the morgan to get a little of it for nourishment.

Those of us living in northern latitudes know the difference between paying for coal during the winter time to keep warm, and being kept warm in the summer by the heat we get directly from the sun. Coal in the earth

is one of the free goods of nature the same as the sun's heat. In fact coal is sun-heat stored up by nature. Yet when we want coal we have to pay for the digging of the coal and bringing it to us, and we are also compelled to pay the morgan owner of the mine for the coal itself. That gentleman "owns" the mine and his state backs him up in his ownership. We might well be thankful every day of our lives that no one has yet found a way for the morgan to gather up from day to day all of the sun's heat and store it for the glorious advancement of trade and commerce. Just think how delightful it would be to have bills for sun heat staring us in the face all the year round!

How fortunate we are that the morgan has not the power to turn a switch and shut off the heat or the light of the sun, or to cut off our respective supplies of the earth's power of gravitation, that power by which everyone is held on to the ball! Just think of the revenue the morgan would be getting by "supplying" us with these essentials of life by letting us have them at fixed rates. He already has seized a small part of the power contained in the earth's pull of gravitation, and reaps quite a revenue from it by "supplying" us with electricity generated at numerous water falls. But to cut off our supply of the power that old mother earth furnishes and that we get through a wire under present methods, will seem crude indeed if the morgan ever finds a way to sever the cord of individual gravitation so that he can send anyone of us flying off into space, have the earth drop us off, should we find it inconvenient to pay him his bill for "supplying" us with gravitation. Such a summary proceeding would make an Irish landlord green with envy. It makes one dizzy to think of the additional billions of wealth that we shall have as a result of this most wonderful achievement of civilization, when a

morgan "supplies" every man, woman and baby with the gravitation to hold on to the earth with, at so much per kilowatt.

There are three fallacies or illicit conclusions in the reasoning on which the claim of complete and absolute title to private property in things is based. The first is as to the duration of the title, the second is as to the extent of the right claimed under the title, and the third is as to the volume of the thing to which title is asserted.

As to the first of these fallacies relating to duration of title: Property is based upon the claim to a perpetual and never ending ownership, an ownership to continue on by proxy after one owner has ceased using or needing; and under it he assumes to dictate who shall be the proxy in excluding others from the use of the earth. For instance, A is upon the public street. He has a qualified property right in the spot where he stands. So long as he is there he excludes all other persons from the particular spot occupied by him. If, when A has no longer any use or need of the spot he is occupying he should insist upon the right to exclude everybody else from occupying or using that particular spot save upon payment of ground rent to him for the privilege, we should have a simple example of the first of the three fallacies, namely, the assertion of a perpetual title.

If A, having no further personal use for, or need of the part of the street that he last occupied, should insist on holding on to it by standing continuously on the spot night and day, or by planting a post in the ground there, taking up the space, or by placing a heavy barrel or package upon the spot so that no one else could use it, we should have an example of the second fallacy, namely, as to the extent of the right of user under title to the property. Here would be the assertion of complete control and dominion over all the rest of mankind,

not only as to that spot of earth and the exclusion of them from the use of it, but also to the assertion of a right to a different use than that of standing there personally or passing and repassing; including the right to obstruct and impair to an extent the usefulness of the surrounding surface. We should there have a simple illustration of the second fallacy, namely, that his right of property was absolute and unlimited.

If A, because he was passing or had passed along a street, should thereafter insist in excluding everybody else from the whole of that street and had the physical power to exclude them, we should have an example of the third kind of fallacy, namely, as to the volume of the thing covered by the claim of title and property. We should have a man claiming the right to exclude everybody from the whole of a thing because he was rightfully having or had rightfully had for a short time the use of a small portion of it for certain purposes only.

Or to take another illustration. If A had a ticket to a theater for one performance at which no seats were reserved by the box office, and then by virtue of that ticket, as soon as he got in, he asserted the right to exclude everybody else from a whole section of say a hundred seats, not only for that night but for all succeeding nights, save as he would rent to them, sell to them or will to them the right to occupy, and should also insist upon putting kegs or heavy boxes upon as many seats as he chose, then we should also have an example of all three of the fallacies, namely, as to duration of title, as to right of user under the title claimed, and as to the volume of the thing to which title is claimed.

If A should in any of the examples stated enforce his claims and pretensions by virtue of his own strong arm or with the assistance of friends or retainers, he would be holding his so-called property only by virtue of his

own physical prowess, and would hold it only so long as he would be able to beat off all other strong men.

But assume that in order to prevent himself from being disturbed in his possession by any superior force, A gets the sovereign power of the state to sanction and support his claim. Then everyone daring to disregard any of A's claims of private ownership, and seeking to make use of the street or the seats in the theatre that A cannot use and does not need himself, will be a rebel. The state will dispatch the police, the sheriff's officers, and the soldiers to beat the rebels off. This would be the exercise of the war power to sustain and uphold this institution of property.

William Blackstone, the greatest of all the spokesmen and apologists of English common law, was unable to find anything else than force to sustain the right of property. He said:

"There is nothing which so generously strikes the imagination and engages the affections of mankind as the right of property; of the sole and despotic dominion which one man claims and exercises over the external things of the world, in total exclusion of the right of any other individual in the universe, and yet there are very few that will give themselves the trouble to consider the original and foundation of this right.

Pleased as we are with the possession, we seem afraid to look back to the means by which it was acquired, as if fearful of some defect in our title; or, at best we rest satisfied with the decision of the laws in our favor without examining the reason or authority upon which those laws have been built.

We think it enough that our title is derived by the grant of the former proprietor, by descent from our ancestors, or by the last will and testament of the dying owner; not caring to reflect that, accurately and strictly speaking, there is no foundation in nature or in natural law why a set of words upon parchment should convey the dominion of land; why the son should have the right to exclude his fellow creatures from a determined spot of ground because his father had done so before him; or why the occupier of a particular field or of a jewel, when lying on his death bed

and no longer able to maintain possession, should be entitled to tell the rest of the world which of them should enjoy it after him.

These inquiries, it must be owned, would be useless and even troublesome in common life. It is well if the mass of mankind will obey the laws when made, without scrutinizing too nicely into the reasons of making them. But when a law is to be considered not only as a matter of practice, but also as a rational science, it cannot be improper or useless to examine more deeply the rudiments and grounds of these positive constitutions of society."

James Kent, the American apologist and commentator on the law said:

"It is a fundamental principle in the English law, that the king was the original proprietor, or lord paramount of all the land in the kingdom, and the true and only source of title. In this country we have adopted the same principle, and applied it to our republican governments; and it is a settled and fundamental doctrine with us, that all valid individual title to land within the United States is derived from the grant of our own local governments, or from that of the United States, or from the crown, or royal, chartered governments established here prior to the Revolution."

As bearing upon the right of private property, it will be interesting to quote from an opinion of the New York Court of Appeals, in a recent decision. That court says:

"The right to make a testamentary disposition of or the right to inherit property is not an inherent right; nor is it guaranteed by the fundamental law. Its exercise to any extent depends entirely upon the consent of the legislature as expressed in their enactments. It can withhold or grant the right, and if it grants it, it may make its exercise and its extent subject to such burdens and requirements as it pleases. Wherein the legislature is silent in the matter of the devolution of property, the courts cannot speak, and as it has spoken, the courts must obey and enforce."

(Matter of White, 208 N. Y. 64-67.)

No better or more rational basis for private, absolute ownership has ever been given than those given by Blackstone and Kent. Expediency has been the only

argument ever urged by them in support of the institution of property.

Expediency is always an artificial means of escape from difficulty and embarrassment. It is always based upon the plea of necessity. The plea of necessity will, however, no longer do.

The individual enjoyment of the bounties of nature does not necessitate impossible perpetual individual ownership of them. The air taken into my lungs, is in my exclusive possession and use during a short period of time. Very soon it leaves my possession, under nature's process becomes cleansed, fit and wholesome again, and enters the lungs of others to perform a like service. The same is true of the water that I drink, of the food I eat and of everything else material that I use. Everything comes from the great melting pot and in due course returns to the melting pot again. Would anyone say that in order that I may fill my lungs with air as often as necessary to maintain health that I must have title in fee simple absolute to a hundred cubic acres or cubic miles of the atmosphere, or that because my system craves fresh water I must have a fee simple absolute of a like quantity of a lake or of a rain cloud.

If a morgan could ever have gotten any scheme by which he could have excluded the rest of mankind from getting lungs full of air, he would certainly have availed himself of that means also of making money. The same is true as to water. If it were not for periodical rainfalls, and if water were only to be had from certain places, i. e., lakes and ponds, like deposits of coal, it would in all probability be impossible for the rest of us to obtain a drop of water to drink without paying tribute to a morgan, as it is impossible now to obtain a pound of coal without paying tribute to the morgan that stands, club in hand, over the coal in the earth.

The proposition that one should be compelled to pay some morgan for the air he breathes, or for the water that he drinks, seems absurd. It is absurd for the reason only that our minds are, with reference to air and water, in a more healthful and natural condition than with reference to many other things that are equally the free goods of nature. So effective is the power of suggestion on the human mind that if the morgans, assisted by the persistent driving and hammering of priests, preachers, writers, courts, politicians, policemen and soldiers, had impressed upon the minds of past generations of humanity the sacredness of private property in air and water, as they did as to other things that all nature equally denies property in, then we should today also be sending wretches to prison, if possible, for stealing the morgan's air by breathing it and for stealing his water by drinking it without paying the price.

Breathing the air and drinking the water is no different in principle from standing or lyng upon the earth or taking coal out of the ground. Yet we cannot do either of the latter without permission from or paying tribute to some morgan.

The argument of necessity of ownership of the earth is stretched to the cracking point. It asserts that we cannot inhabit the earth unless we have private ownership of the earth. It prophesies that inevitable confusion and never-ending controversy would result, that each one would fight to occupy the most desirable places on the surface of the earth. The difference in desirability of dwelling places is very much exaggerated. The actual natural differences in desirability can with comparatively little effort on the part of the state be almost wholly eliminated. The actual and practical differences now existing are artificial. They are unnecessary. They have been produced and are maintained by morgans, actuated

by a never-to-be-satisfied greed for gain and craving for domination. As to the exceptional spots of beauty, along the streams, beside the lakes, overlooking water falls, mountain scenes, or sea shores, that once were all held as private property by morgans, and some that are still so held, we have long since come to understand and are more and more realizing that these are not for the exclusive use of any individual, but are to be used by all mankind as public parks and pleasure grounds. There does not appear even now, with the small number of such public parks, to be any disposition on the part of humanity to indulge in any brawls or controversies about the enjoyment of these beauty spots as parks. Their use in common at present as public domain does not present any difficult problems whatsoever.

With the beauty spots used in common as public parks, and with the hideous features created by morgans, such as crowded and narrow streets and alleys and unsightly mills in the wrong places, eliminated, the remainder of the earth will afford in abundance dwelling places of practically equal desirability for all mankind. There is plenty of room for each one to have a large corner lot on a broad avenue. The inherent differences in the desirability of dwelling places is scarcely, if any, greater than the differences in the air we breathe or the water we drink. Mountain air, sea air, mountain water and water of the plains and low lands, with all their gradations present fully as many differences, yet we do not find any controversy over these, on which to predicate an argument for private ownership.

What has been said of the beauty spots on the surface of the earth might with equal force be said of the moveable articles of rare beauty and attraction. These things, however, when they do not constitute the means of production, have little bearing on the economic con-

ditions and problems of society. The exclusive possession of them does not interfere appreciably with the getting of a livelihood by the mass of mankind. It might, however, be said in passing that rare gems, works of art and curios are gradually finding their way into public museums where the people may see them and enjoy them. After all, that is the real enjoyment they afford, even to the owner, outside of the pleasure he may find in calling himself the proprietor. The asserted ownership of land carries with it the control of natural resources and has far reaching consequences.

The stock argument that in this country there is plenty of land, and the "go west, young man" advice does not meet the situation, or affect the principle involved. It concedes the argument and seeks to postpone the consideration. The time for that has, however, long since past. Furthermore, a very small percentage of mankind is physically or otherwise able, or equipped or inclined to embark on pioneering enterprises. The great majority of civilized people have by reason of heredity, environment, training, education, mode of life and temperament been rendered much more capable and useful in other walks of life, and have at the same time to the same extent been rendered unfit to engage in, or to undertake, the perils of a pioneer life.

Those who assert a private ownership of the things which in their very nature cannot be property are, and always have been, the plague and scourge of the human race. This is not intended to be an expression of hatred. It is only a statement of fact deduced from history. It is puerile to hate anything. It is unnecessary to classify the expropriators among either the good or the evil things. The many pests and misfortunes that sorely afflicted the lives of our ancestors might very well be regarded as having been necessary for the progress and

development of the human race. Had it not been for smallpox, yellow fever, diphtheria and other like diseases, we should have learned very little about our own bodies. Throughout the past down to comparatively recent times these ailments were beyond the power of man to understand, much less to master. Many regarded them as being inherent in human nature, others regarded them as being visitations of divine punishment for persistent sinfulness. The scientific mind, however, persisted in its work of investigating, analyzing, synthesizing and experimenting to relieve the race of man from these sore afflictions. The cry of "It cannot be done" constantly resounded in the ears of these brave and patient men. Yet is was and is being done.

Lewis H. Morgan in his invaluable work, **Ancient Society,** says:

"Since the advent of civilization, the outgrowth of property has been so immense, its forms so diversified, its uses so expanding and its management so intelligent in the interest of its owners that it has become, on the part of the people, an unmanageable power. The human mind stands bewildered in the presence of its own creation. The time will come, nevertheless, when human intelligence will rise to the mastery over property, and define the relations of the state to the property it protects, as well as the obligations and the limits of the rights of its owners. The interests of society are paramount to individual interests, and the two must be brought into just and harmonious relations. A mere property career is not the final destiny of mankind, if progress is to be the law of the future as it has been of the past. The time which has passed away since civilization began is but a fragment of the past duration of man's existence and but a fragment of the ages yet to come. The dissolution of society bids fair to become the termination of a career of which property is the end and aim, because such a career contains the elements of self-destruction. Democracy in government, brotherhood in society, equality in rights and privileges, and universal education, foreshadow the next higher plane of society to which experience, intelligence and knowledge are steadily tending. It will be a revival, in a higher form, of the liberty, equality and fraternity of the ancient gentes."

CHAPTER II.

THE MORGAN AND THE GENTILE.

There was a time when our ancestors did not know of private ownership of any of the forces or things supplied by nature. Society was, of course, differently constituted then. This subject has furnished a rich literature and promises much more. It is not necessary for my purpose to go into it any further than to say that our ancestors were freemen of equal endowment before there were either chattel slaves or masters, serfs or barons, wage workers or capitalists. All had equal access and right of access to the resources of nature. No state interposed its strong arm to maintain any one in exclusive ownership, or to exclude the rest of mankind from equal participation. The form of society of those days is known as the gentile form, and our ancestors of those days were then known as gentiles. The society of those days formed about the interests of kinship, centering in the gens or family.

The breaking up of gentile society came with the coming of the private owner and his exclusive ownership of nature, and the things of nature so far as physical force could support and maintain the claim of such exclusive ownership, and bludgeon the rest of mankind into a recognition thereof. It is not in the least necessary to indulge in any discussion as to whether it was right or wrong. This is not a work on casuistry. It were equally bootless to argue as to whether such was a necessary course of human progress or not.

Clear understanding will be much promoted if we keep in mind that the expropriated gentile continued

to be and still is the expropriated gentile. His expropriator has appeared in many guises and forms, as monarch, as feudal lord, as slave owner, as landlord, as capitalist, as lord and master over all nature so far as force can exclude the gentile from the resources of nature. Then, by means of the advantage the expropriator gained through his overlordship, he also became exploiter coercing gentiles to work and produce profits—surplus value—all of which he also seizes. Sometimes he is more expropriator, levying tribute, sometimes he is more exploiter, pretending to buy labor—labor power—and taking profit from the application of that labor power to productive work. Sometimes he is monarch, sometimes feudal lord, sometimes land owner, sometimes magnate, sometimes stockholder, sometimes bond holder. Sometimes he is the votary of war, sometimes he masquerader as the votary of peace. Sometimes he is brutally frank and direct, sometimes, and more often, he is hypocritical, insinuating and indirect. But he has always one aim, one purpose, one object, and that is to drag to himself the lion's share, to rule, to dictate to the gentiles the lives they shall live and the extent to which they might live their lives. His rapacity far exceeds his capacity and its only limit is in its own nature. Profit from the labor of gentiles can only be realized as long as the gentile can labor, and to labor he must have enough to live according to his station in life, reproduce his kind, and generate labor power. This then is the amount which in the very nature of things needs must be allowed the producing gentile. This is the natural limit of exploitation.

All of the many guises and forms of the expropriator and exploiter present seemingly different characters, but these differences are only seeming, only skin deep, and only deceptive, like the different colors of the chameleon.

There is one essential of character that determines his place and office.

I desire a word to serve as a generic name of this character. The advantages that will result from such a generalization will be obvious. I shall therefore designate this character of characters as the morgan, and will keep him where he belongs in a class all by himself, he having segregated himself. This generic name is not used in disrespect but entirely as a uniform designation for description.

The gentiles constitute one class, namely the class of the expropriated. This class has, however, been driven into different divisions again by the artificial conditions forced upon them by the morgan's institution of private property. These different orders of the same class have also been arrayed against each other, some more, some less, in an artificially created antagonism that constantly redounds to the benefit of the morgan, and produces the strongest sort of a prop and support for his institutions.

As all gentiles have been expropriated of their free and equal right to share in and have access to the resources of nature, their interest in this respect is common, and when understood will be controlling. Under the resulting forms and conditions of society, from the earliest to the form now prevailing, other generated interests, based in part upon needs growing out of the situation and in part upon lack of understanding, divided and still divides the gentiles into these different orders. These respective interests of the different orders of the gentile class were and are seemingly, but only seemingly, stronger than their indicated common primary class interest.

The class of society which we shall know as the gentiles separates itself into three orders based upon their respective secondary economic interests. The lines of

demarcation are not always sharply defined or straight. They are very often vague and wavering, and there is a frequent overlapping. The ingredients of a cake run into and impart their flavor to each other. Still our palates can differentiate between the taste of the citron and the sugar and the butter and the eggs. And if the cake should be spoilt by rancid butter or a bad egg the discriminating palate can soon tell the cause of the trouble.

The first of the gentile orders consists of those gentiles who bow their necks to the morgan's yoke to obtain their livelihood by that labor which affords either profits or personal service to the morgan. These, besides being expropriated of their heritage in nature's bounty, and therefore having in common with other gentiles a primary interest hostile to that of the morgan, are now also exploited of all that they produce by their labor save only so much as they must have from nature and the product of their work to live upon, to reproduce their kind, and to generate more labor power for the production of more value. Here then is a secondary economic interest equally as hostile as the primary and irreconcilable with the interests of the morgan. Those gentiles who become personal servants and menials of the morgan produce no value by their labor. They represent part of the overplus of workers that are excluded from commodity producing work. There is nothing in the occupation or in the interest of either of these seeming two kinds of workers that can make them otherwise than of one order, with interests alike loyal to the cause of the gentiles and hostile to the morgan and his institutions. There is a solidarity of interests, though the work of one is solely to produce profits and that of the other is not to produce any profit or any value, except occasionally and incidentally. They belong to one class

and in one order. They are the wage workers and their secondary economic interests are common. I shall refer to them as gentiles of the first order.

The second order of gentiles are those that are not wage workers. They include what might be called the adventurers or free lances, making their livelihood by their wits, their talent, or by successful infractions of the law or the conventional rules and precepts, or by a number of these methods, criminals, prostitutes and unemployed. This order also includes those who are not wholly and completely expropriated, but have yet hold and control of some small part of nature's resources and means of production; such as small farmers, small manufacturers, small merchants and the like; that body of gentiles still who are not possessed of enough to enable them to live upon the labor of others, but who have enough partly to offset in more or less degree the disadvantages of their expropriation by the morgan, and to help them, so to speak, to get somewhat better returns from their own labor. The effect of their expropriation by the morgan is not so complete and therefore they also escape exploitation in about the same measure. Their position as an order is constantly being assailed by the morgan. His forces are continually pressing them toward the gentiles of the first order, driving them into the ranks of the wage workers. The problem of the gentiles of the second order is always to know how to escape such a fate.

The third order of gentiles are comparable to the mercenary soldier fighting on the side of a usurper and against his own people. They constitute the morgan's physical and intellectual police.

The morgan, however, is always in one class by himself. Whether monarch, baron, landlord, merchant, mine owner, railroad owner, banker, factory owner, farm

owner, or what not. He is always and all the time expropriator and exploiter. These two phases of the morgan's operations must, however, be kept clearly separated. As expropriator the morgan excludes the gentiles from partaking of the free goods that nature has provided. He claims exclusive ownership of all the free goods. This gives him the power to impose terms of life upon the gentiles. The morgan's terms are that besides tax or tribute or rent he be given personal service or profits in such manner and form and in such measure as his fancy dictates. This profit aside from what nature gives us, comes and only can come from values produced by the expenditure of labor power, and is measured in amount by the difference between the amount that the working gentile and nature produces and the amount of the actual necessaries of life required by the producing gentile that he may produce and expend labor power and propagate.

The morgan decrees that so many of the gentiles as he finds can be advantageously employed under his methods be kept busy at value producing work, supplementing nature in producing and augmenting the supply of the material necessaries of life. Without scientific basis or estimate as to quantities required, the gentiles so employed are driven to produce and do produce, in rough measure, by adding to what nature volunteers, so much as the maintenance of human life and the morgan-dominated society requires. The relative number of the gentiles who are workers so employed at established occupations, as compared with the rest of the gentiles and as compared with the amount produced is constantly growing smaller. This is owing to improved methods of production evolved and applied by the intelligence of the gentiles themselves, and owing to the invention also by the gentiles of machinery that multiplies many times

the volume of production, all reducing the proportionate number of the gentiles needed at productive work. The morgan benignly welcomes and accepts all these improvements and permits them to be applied as fast as he can see that his interests as a morgan are advanced thereby. His interests are always advanced by the production of the largest possible volume with the least possible number of workers. This leaves him the largest amount of surplus after the workers get the portion necessary for their keep.

The morgan consumes an enormous amount of the surplus, for he and his horde feed and squander prodigiously. He gets yachts, limousines, palaces, country seats, hunting parks, etc., etc. The important thing to the morgan is then to exchange the still remaining surplus in such manner as to be to his greatest advantage in extending his power and sphere of influence still further. The only person with whom the morgan can exchange the residue of these products, ultimately, are gentiles. For these constitute the remaining great body of consumers.

The gentiles not employed for wages either in value producing work or in work of personal service or attendance and therefore not also exploited as wage workers, I designate herein as gentiles of the second order.

The number of these gentiles of the second order is large and ever growing relatively larger. Their rapid growth results from improvements in the methods and machinery of productive industry. Many of the gentiles of the first order are taken up in the production of pure luxuries for the morgan, others in occupations that have only one purpose and that is to produce further means, conditions and circumstances to continue the morgan in power. With all of the gentiles of the second order the aim and end is not to produce any real values, but to get

something that will enable them by hook or by crook to squeeze in and get a fresh hold by which to hang on to life. Yet, and in spite of everything, this ever growing army is constantly pressing in every direction for place and opportunity and is constantly growing both in number and importance. A large proportion of its members is always fluctuating back and forth from and to the other orders, particularly from and to the wage working order, the gentiles of the first order. It is historically a revolutionary order and contains within it now most potent germs of hostility to the morgan.

The gentiles of this second order may be called adventurers, innovators, also the loose and vicious, all impatient of restraint or privation. Whatever their outward show or mien, they have no respect for the morgan's law, or his theological or moral precepts. They have an unconquerable aversion to the wearing of the morgan's yoke, in fact their aversion to that is so great that they avoid as much as they can all of the occupations of the wage worker. The lives of all the gentiles in this order whether they will or no, or are conscious of it or not, might be said to be one continuous active protest. This order embraces the violators of the laws relating to property, the gamblers, the speculators, the prostitutes, the hucksters, the brokers, the promoters, the doctors of medicine, the artists not yet wage workers, lawyers, some teachers and some authors.

Turpitude, of course, does not come into consideration in making this classification. Those in this second order do not as a rule come necessarily under the mental or "moral" sway that works for the perpetuation of the morgan's power. Their only interest in the present state, its laws, its ethics, its commandments, its morals or religion is to avail themselves of any advantages by which they might slip into easier situations and to avoid

any adverse effect upon themselves. They give outward obedience, often ostentatiously, so far as they find it necessary or profitable. Though they would also expropriate and exploit, and some of them do, the return they get is not clear profit. It is intermingled with the product of the expenditure of their own labor power, and often not amounting to as much in volume as their just share of what nature yields, plus their own added labor. And of that which passes to them, a relatively small portion remains with them. A great part of it passes through their hands as grain passes through the hopper of a mill and goes on further to heap up the measure of the morgan. Masked and devious though the process may be, yet nevertheless and notwithstanding, is it true that there are those of the second class of gentiles who can truthfully say that their talent, education, experience, personal attention and industry outside of their natural right to share in nature's bounties, constitutes a legitimate and adequate consideration for what they have of life, after they in their turn have had the juice of taxes, tribute and pure profits squeezed out of them by the mill of business that finally transmits to the morgan all that is transmittable. Yet these gentiles are forced to parade in contaminated plumes. They are not permitted even the good name of receiving their earned portions as compensation. They are compelled to take their compensation under the smirching name of profits.

The line of demarcation between the compensation and the pure profits that these gentiles of the second order get is vague and wavering because no measure and no figures are available. But this is sure, that the amount produced per person engaged in productive industry is constantly increasing. Therefore the opportunities to engage in productive industry are constantly decreasing. Another thing is sure and that is that the demands

of the Morgan upon the gentiles of the second order exerted by the invisible and irresistable pull of the machinery of business, are and for a long time have been, and in the very nature of things will continue to be growing more and more exacting; and that as to these gentiles of the second order, the prospects for pure profits are fast vanishing. Not only have their chances for climbing into the morgan class been growing slimmer all the time, but the pressure the other way is constantly growing greater and it is only a question of time when they will all be driven to the wage working order among the gentiles of the first order, there to find that no more hands are wanted because those already employed are able with the machinery and modern methods to produce all and more than all that is required. Many artists and many members of the professions, lawyers, doctors, engineers, are already there, and the stream of those on the way is constantly growing in volume.

The greatest flux and mutation is found in this second order of gentiles, embracing as it does the adventurers and free lances. They and the wage slaves have, however, a solidarity of interests. They are both despoiled, expropriated, by the morgan of their heritage in nature's resources. Neither of them are necessarily or by their station in life tied up to mentally or morally support the morgan's system of state, laws or religious commandments. Their primary economic interests as gentiles are common as against the morgan. It is with them only a matter of education and consciousness. The only unlikeness between them is that the wage worker is also exploited as a wage worker, and the gentile of the second order is not.

The third great division or order of the gentiles constitutes the mercenary forces of the morgan to keep himself on his throne and the gentiles in subjection. They

furnish the craft and cunning, likewise the physical force to keep up and support the morgan's estate. The first of these in importance at present is the law pack. They are the law makers, the legislators, the judges, the lawyers, the detectives, the sheriffs, the police, the military. These devote their lives and energies to serving the morgan in keeping up his estate, most of them believing in a beclouded sort of a way—for they are not clear on anything—that it is the gentile's state, and that the gentile's interests and the morgan's interests are identical in the maintenance of this state. The law makers—I mean here the legislators, the judges and the lawyers—in the main echo only the laws that are dictated by the morgan; if not by him personally, then, by his interests, whether visible or invisible. The tardy and halting labor laws of the last few decades or so, have only been so many sops thrown to a snarling cerberus.

The state as at present constituted has but one aim and purpose and that to make secure the morgan. That purpose is subserved in an immeasurable degree by the show of legality and hollow pretense of right, given to the morgan's possession of that which is not his and which in the nature of things cannot be his. The judges interpret the law with a wonderful display of mock wisdom, always straining and striving to serve interests, which in their essence are the interests of the morgan. They supplement the efforts of the legislature, and by means of interpretation, supply and read into enacted laws any omission of the legislature, to buttress the morgan's institution.

The body of the lawyers, in the main, keep up a constant chatter over the mine and the thine of things, twisting and squirming to bring this side or that side of an individual claim either within or without the terms of legislative enactments and judge-made laws. These

lawyers thereby and in the meantime are always standing firmly for the morgan's system of laws, always supporting it with all kinds and manner of shifts, fictions and chicanery. The whole of their so-called talent is devoted to keeping the gentile mind in such a whirl as not to leave it time or opportunity for calm reflection upon the institution and the society that this junk heap is designed to support and perpetuate.

Very few lawyers have the slightest idea of their true position. Practically all of them will indignantly deny all that is here stated and they will in good faith deny it. But lawyers' minds have become so warped and artificialized that, with rare exceptions, they cannot grasp social or economic questions or situations. The vast majority of lawyers are honest in the belief in and in support of the existing legal system. They are by their faith rendered so much more serviceable, in truth indispensable, to the morgan. The lawyers may even rail at the morgan, try to invoke the law against the morgan, even refuse to stand where the morgan might see and bestow favors. That is not of the slightest importance. So long as the lawyer stands for a system of laws that sustains the present theory of private property, he is the morgan's true and faithful servant. Witness the ludicrous trust prosecutions by the United States government lawyers; of the greatest benefit to the morgan, and a veritable stuffed-club and slap-stick performance, by which the gentiles including the lawyers are fooled.

The sheriff, the policeman, the soldier and the man-o'-warsman merely represent the brute force always held in readiness to enforce the morgan's law. They are the bludgeon and constitute the morgan's last argument, put forth in the name and guise of what is claimed to be a just and impartial state.

All of the state lackeys of the morgan and all of their machinery of government have but one office and purpose and that is to keep the morgan secure in exclusive possession and control of the resources of nature, the instruments of production and heaps of accumulated profits. It is their office to maintain the status quo. This is called the state and is paraded as the gentiles' state. In truth, it is the morgan's estate. The gentiles so serving the morgan in his estate are required to believe and to make the other gentiles believe that this is a state for the benefit of the gentiles, that the gentiles need this state for their protection. Here the gentiles' natural instinct of self-preservation is played upon and exploited to the fullest. He is made to believe that he is in need of a strong government from above to protect and preserve his life and home, and that the strong government and protection is only to be had from the state as at present constituted.

The real need of the gentile for this sort of protection is about of the same extent and nature as was the serf's need for the protection given him by the baron in feudal times. What he needs is to find a way to shield himself from his protector. The condition of the serf which made him need the protection of the baron was the condition imposed by the baron. Outside of that the need of the serf for protection was small. Such needed protection as he did get was meagre, inferior and dearly paid for. His protection was merely incidental and of such a form and measure as was necessary only to maintain and support the estate, standing and "dignity" of the baron. That is exactly the sort of measure of protection that the gentiles get under the morgan's modern form of society and state.

The purpose of the state is to keep the morgan in possession and power, and to hold the gentiles in subjec-

tion. Protection is forced upon the gentile by his despoilment and in its very nature is all for the morgan as against the gentile, and none for the gentile as against the morgan. It is all to maintain the status quo, in other words, to maintain the morgan on top. The minor controversies that the gentiles have with each other grow principally out of their condition of subjection and resulting irritation. These sorry controversies are taken into the courts of the morgan's state for adjudication. The great show of blindfolded justice is merely incidental to and in furtherance of the principal and only office and purpose of the state, to keep the morgan tight in control and possession. These adjudications and court proceedings only give more prestige and standing to the morgan's estate. The gentile is impressed with a respect and an awe for the morgan's state, the true nature of which is concealed beneath much tinsel and trumpery. All of this strengthens the state and the estate of the Morgan.

The remainder of the morgan's mercenary forces are the panders, sycophants and intellectual police, consisting of theologians, writers and teachers, who preach to and teach the expropriated gentile that he must not covet any of the things that the morgan has expropriated him of, any of the things that nature supplied for him and which the morgan with the power of the state has seized and holds; not to covet any of the morgan's pile, accumulated by exploitation; that he, the gentile, must not steal any of his own from the morgan; that he, the gentile, must love, embrace and respect all of the morgan's imposed creeds and precepts; that he, the gentile, must be humble, meek, poor in spirit and always industrious; that he, the gentile, must be contented with his lot in life; that he, the gentile, must be loyal and patriotic, willing and anxious at all times to fight for the state in the wars

that it wages for the furtherance and permanence of the morgan's estate at home and in other fields and regions; that he, the gentile, must have an unbounded faith and enthusiasm for the state of the morgan and with which the morgan expropriates him of everything expropriable.

Here, too, the morgan avails himself of and profits by the wiles and arts of false teachers and preachers. That by far the most of these are also sincere and honest, and have been deluded by a mass of errors, assumptions and miseducation does not effect the result, except to make it more assured and effective. It makes these servitor's also, all the more serviceable to the morgan and his estate.

Our ancestors have always found solace and comfort in religion for all their limitations and want of understanding. Religion was the result of the natural struggle of the mind to know. The true domain of religion has always been the unknown. It was the presumed explanation of phonomena. It constituted the theory of the universe. There was one belief common to most religions, and that was the belief in some kind of a future life and in some kind of a place of future abode. This was a conclusion drawn from the phenomena which nature always presented and for which man had no scientific explanation.

The morgan, through the craft and cunning of servitors, seized religion at an early stage and superimposed upon it an elaborate system of precepts and moral rules so-called. These, with a liberal use of postulates, have always been promulgated as of divine origin and as having been especially revealed to a few favored by a direct or an indirect communication from some divinity. These commandments all had, have and can have but one main and real purpose and office. That purpose and office was and is to entrench the morgan in his

power of excluding the gentiles from that which always has been and in the nature of things is still theirs for common use and enjoyment. This real purpose and office has always been concealed under a mass of verbiage. This verbiage had two noteworthy qualities, the one was that it led the gentile mind off into the jungle of inconsequential controversies over matters theological; the other was that it would make it appear that the divinity was especially concerned about the shortsighted, fretful and childish disputes of the expropriated gentiles. These two qualities won favor and made the masked battery a complete and perfect instrument in the hands of the morgan. The little pilferings and bickerings of the expropriated gentiles among themselves, growing out of conditions caused by their expropriation and exploitation, and as nothing, and ludicrously petty, compared to the general common despoilment, kept and keeps the gentiles busily engaged with petty internal dissensions.

"Thou shalt not covet" is the quintessence and expresses the purpose of all the so-called divinely revealed commandments. The despoiled gentiles never have had anything of moment to covet. The morgan always has been, since his reign began, in exclusive possession of all that can to any considerable degree arouse feelings of covetousness.

The violation by a gentile of any of the laws or commandments securing the morgan's property rights in things that in the very nature of things cannot be his, if smelt out by the ferrets of the law, bring down upon the gentile's unconsecrated head all of the clubs of the morgan's state. If the ferrets cannot smell them out then the offending gentile is left to the torments of a mind filled with the terror of burning lakes in the hereafter, and the plague of a conscience artificially ren-

dered sore and over tender by the morgan's spiritual policemen.

The present state with all its laws has never had any restraining influence upon the morgan's predatory disposition. That is not their purpose. Their purpose is to serve the morgan and his estate. For the divine commandments directed primarily against all covetousness, the morgan has only deaf ears. The restraining influence is only for the expropriated gentile.

The third order of gentiles maintains itself largely by filching and wheedling from the other gentiles a part of the little that they have. Like the mercenary army of the usurping invader, they live off the subjugated populace so far as they can. The morgan, so far as he considers it expedient and worth the cost, supplies his mercenaries with so much of their material needs and campaign material as they are unable to get by foraging. He does not do this directly or in a way that the ordinary busy gentiles notice and understand. He always chooses the indirect and for him more efficacious method, ever riveting the shackles tighter. He endows their colleges, gives liberally to their churches, supports their traffic in charity, furnishes money for their missionary commerce, finances their "onward movements," creates pension funds for them. He builds libraries where their conventional and mind-destroying drivel, under the guise of literature is advertised and pushed like bargain-counter goods. He patronizes literature and art to enslave and debase them to his service. He has his agents to scour the world, and through the power of money to rob every town and hamlet of its art treasures, depriving its people of the refining influence of the presence and the traditions attached to works of art. He has the plunder dragged together into huge mausoleums where a comparatively few, and these his mercenaries

for the most part, can stare at them. The effect upon the many regions and localities looted is of course devastating and depressing. On the other hand we see a concentration of the treasures so that they too are compelled to compete with each other for incompetent attention. They look like pieces of homesick stone and bronze, each one robbed of its native setting and atmosphere, catalogued, to be vacantly gazed at by surfeited sightseers.

All of this is cried forth by the claque as a patronizing of art. The once highly prized gems of art might almost as well be displayed at the pawn broker's, or at the junk dealer's shop. But it serves the morgan's purpose. It fills the mouths of his mercenaries with false and fulsome praise of the morgan as a connoisseur. to imprss the gullible gentile. It serves as still another means to make the gentile believe that the morgan is a benefactor of his race, and so helps to conceal the curse.

CHAPTER III.

THE MORGAN'S REACH.

The more primitive the mind, the more it confines itself to efforts at adjustment to immediate environments, and the less capable it is to cope with the problem of changing the environment, in fact the less idea it has that there is such a problem or that environments might be changed. The primitive mind finds it most difficult to think beyond its immediate physical and perceptive surroundings. It encounters great difficulty in seeing or inferring the existence of things and influences beyond the conscious physical senses, though they affect most potently our surroundings. Most minds cannot without great difficulty comprehend the unsensed forces that influence our lives.

The fish in the ocean is constantly engaged in adjusting itself to its environments. That fish, however, has no conception of the thermal currents that vitally influence its life and determine its habitat, nor has it any idea of the amount of water pressure required for its life, nor of the composition of the water in which it lives; nor of the extent or volume of the ocean in which it has its being.

The untutored man does not know that air is a material substance or that it exerts a pressure of about thirteen pounds upon every square inch of his body. He has not the remotest idea of gravitation, or of its effect upon his life. The most important influence on his life, the things that form and make his environment are completely non-existent to him because he has always confined his mentality to the adjustment of himself to his

environment, and never looked beyond to learn of the things that shape and influence his environment. The wider the scope and the greater the effect of the non-prehensible things affecting our lives, the less conscious of them are we likely to be.

But, for those of us who go out to explore the field of political economy to find the things that make our environment, there are many surprising and wonderful revelations in store.

The understanding fairly reels when it begins to contemplate the far-reaching effects and stupendous results of the expropriation of the gentiles by the morgan.

We are accustomed to think only of the physical, concrete things, when considering matters relating to political economy. But the many things corporeal, the beneficial ~~hereditiments~~ heritages, non-prehensible goods, that vast volume of mental treasure accumulated through the ages; the things not material that yet go with and cannot be without the material, and that give to the material an enhancement of usefulness so great as to be beyond the power of mind fairly to contemplate all of this wealth often outweighs in importance the material and prehensible, though it arises from, rests upon and depends upon the latter for its very existence and support, much as a house often has to-day a much greater attributed value than the land upon which it is built.

The whole of this vast empire of wealth goes with ownership and private possession of the material furnished by nature and rendered valuable by human labor, and it goes that way without being even mentioned or noticed. Under our system of miseducation, the gentile mind is even led to believe that the gentile remains the possessor of all this incorporeal wealth. In truth the gentile no more possesses it than the engineer

possesses the locomotive or the trained workhorse possesses the harness and wagon.

Not any of that great wealth of intangible gifts representing the work, enlightenment, education and inventive activities of our ancestors, all of which add such vast amounts to the material wealth of the race and of the world is at present possessed by the gentiles. Without owning the ships, these gentiles can not own any part of the benefits that result from the invention of the compass or the development of the science of navigation by our ancestors; without owning the railroads, mines or mills, they cannot own any of the benefits that result from the many inventions and discoveries of our ancestors or those of which patent rights have expired. Archimedes, Watt, Stephenson, Arkwright, Whitney, Fulton, Morse, Howe and a host of others might just as well never have lived.

The man who does not own the means of applying can have no ownership in steam power, electric power, water power; nor can he apply the principles of mechanics or the laws or science of chemistry or mathematics. The thorough understanding of these intangible things that are not included by the census man, does not give the despoiled gentile any ownership in them. All that his education gives him is at most a chance to use his thus acquired greater labor power for the greater power, dominion and advantage of the morgan, still to receive only enough to live according to his station in society, reproduce his kind and generate more labor power. The gentile would have practically as much in a state of savagery with all these powers and resources of nature entirely unknown. He is like the expert horseman who does not own a horse. His experience is not his own to use. All that he can do with it is to place it at the disposal of the man who owns

the horse, to get in return merely enough of that which in truth is already his own to live upon.

A man who designs an improvement for a steamship or for a railroad or a mine or for a rolling-mill cannot use it because he does not own a steamship or a railroad or a rolling-mill. He is entirely dependent upon being able to induce the morgan owning the steamship, the railroad or the rolling-mill to accept the use of it. He is like the wolf in the fable at the banquet arranged by the stork. The delicious viands were there, but they were in the stork's tall jars. The wolf could not get his muzzle into the jars, and as his great respect for stork proprieties kept him from knocking over the incumbering dishes, he had to content himself with a smell of the good things. What a mockery it is then, to say that a man owns a thing that he cannot make any use of for himself, or derive any direct benefit from, and only such indirect benefit as the owner of the means of doing so allows.

The owner of the means is to all intents and purposes the owner of the end. The morgan who has a complete and absolute title to the encircling wall, may laugh at him who claims to own the inclosed ground. So the man who claims ownership of wine has but an empty title if the wine be contained in casks that are owned, completely possessed, and controlled by another. He cannot enjoy the wine if the morgan owning the cask says nay. Of what worth is the science of chemistry or engineering to a man who has not the means of applying it? It is worth no more to him than the morgan owning the means will allow. So it is that the training that the gentile receves is of very little benefit to him save as, and in the measure that he can make use of it in serving the morgan, and the latter makes him a scant allowance for on account of his extra skill. Hence

the style and kind of regular education that the gentile gets is only the style and kind that the interests of the morgan dictate.

The gentiles of the second and third orders are very little better off in comparison to what they might well be, than their brothers of the first order are. If they own any shares of stock in steamships, railroads, mines, mills, department stores, or banks it amounts to a very small and uninfluential interest. Their holdings are mostly in small farms or homes, burdened with mortgages, small shops, catch-as-catch-can enterprises and occupations. Whatever they have represents the precarious condition of the gentiles of the second and third order. With them it is a constant nipping and pinching in the struggle to keep out of the ranks of the gentile of the first order. When they think that they are well off they deceive themselves by comparing favorably their condition with the worse condition of the gentile of the first order, instead of comparing their condition with what it ought to be, or with the condition of the morgan.

It is not necessary to segregate the gentiles of the second order from those of the third order in considering the effect on society at large of the small share of wealth that they own.

The grievous and ludicrous error constantly made by gentiles of the second order is that they regard themselves as capitalists and imagine themselves in the same relative situation as the morgan. They think themselves interested on the same side as the morgan because they are not yet pressed down as much as the gentile of the first order, the wage worker is. In the resulting unnatural condition of society, all of the gentiles are made to compete with each other for the necessaries of life, despite the natural solidarity of their

interests. The struggle of the gentiles of the second order against the morgan, are about as ineffectual as a pop-gun would be against steel armor.

The gentiles of the second order are driven back to prey upon the gentiles of the first order and are made to endure the brunt of the resulting industrial wars. They think that they are fighting for their own interests, but they are not. They are only fighting for the benefit of the morgan, and retain very little of the spoils for themselves.

The gentiles of the third order, the intellectual and physical mercenaries of the morgan, present a most ludicrous spectacle with their show of brass buttons and brag of superior learning, as they steadily sink into the mental swamps of their own misguided choosing. Meanwhile they are frantically screaming their tiresome protest against the draining away of the stagnant waters of their fake dogmas, fake laws and fake learning.

The morgans have one primal interest in common. That interest is to keep the gentile in subjection. In all things else, their individual economic interests are in a constant, evergrowing implacable hostility to each other. The morgan is an incorrigible. He must subdue, he must devour. A life of peace and co-operative participation means death to him. Therefore his whole power is devoted to crushing out the thought of it. He has his preachers to preach competition whilst he uses competition to destroy, break down and oppress. There is and can be but one object of his being. That object is sole, individual rule and personal domination. There is a constant strife and contention among the morgans over the plunder taken from the gentiles. Each wants the whole of it. These conflicting interests in the division cannot be and never will be reconciled. Their adjustments are but temporary truces. There can be no

peace among them until the last morgan has devoured all the other morgans, or until the gentiles have driven the whole brood of morgans from power.

CHAPTER IV.

CAPITAL.

The consensus of the conventional definitions of "capital" may be summed up in these words: "That part of the produce of industry which is applied to further production."

From the foregoing, it is apparent that "capital" is a term applied to things of value. We shall see that value is that which is produced by the work of a human being expended upon something to make it more applicable to satisfy human want. Separated from all idea of mediately or immediately satisfying human want, nothing has value. When our own wants are satisfied and we still have an abundance left over, it at once loses its value unless there are others with wants capable of being satisfied by use of it. A morgan then by reason of his ownership of this abundance can dictate the terms upon which the others may satisfy their wants. He may require of them to climb greasy poles, dive for pennies into bowls of molasses, catch the slippery pig, walk backwards before him low bowing. He may require them to part his hair, wash his face or hold the kerchief as he blows his nose. He may require of them to fetch his smelling salts or fetch his cigar. He may require of them to carry his hat or his cane. He may require of them to operate his motor car. He may require of them to man and navigate his yacht. In relation to none of these things is the value bestowed by the morgan called "capital." You may analyze every instance of this personal service and thousands more that might suggest themselves, and you will find that

they are all "go and come", "fetch and carry," and all of them are in obedience and recognition of the morgan's power to command the action and movement of others by reason of his power to shut off or withhold from them the things necessary to supply their wants. Without this power, all of his store of surplus value would be valueless, his wealth would be dross. The power of being boss, of ordering others around, is the quintessence of his wealth.

The gentiles of the first order produce large quantities of value and receive a small allowance of it. The morgan takes the surplus. He consumes all that he can consume of the surplus in riotous and sumptous living and in the maintenence of a numerous train of personal attendants. The morgan avails himself of his ownership of the remainder in directing the movements and commanding the attention of other workers to obtain for him control of more of the free goods of nature and more of the means of production with the purpose of having yet more value produced and in such quantities as to let him take still more surplus value by the same process ad infinitum.

That which is allowed the worker is called "wages", or "compensation." The name is a misnomer because the morgan does not pay or give anything to the worker; but on the contrary takes from him. That portion paid to personal attendants, supernumeraries and flunkies who produce no value at all is also called "wages."

The portion of surplus value in the morgan's hands, the ownership of which he avails himself of to control the production of more value and to get yet more surplus value, is called "capital".

Whenever we give another common name to anything to distinguish it from other things that look like it, we usually do so because something has occurred to change

its nature and make it different from the other things. There is no valid reason for giving the name "capital" or any other distinguishing name to value applied to further production. In the giving of the name "capital" to this value lurks a most subtle and far-reaching falsehood. It implies a change in the inherent nature of value which in truth never takes place. The falsehood is rendered the more deceiving because suggested, and not stated plainly. It implies a difference in the principle of its use which does not take place. To be specific: "Capital" does not pay the worker engaged in the further production of value; first, because the worker is not paid in advance; second, because the worker is not paid by the capitalist, but, quite to the contrary, makes his pay by producing in advance more value than he gets. The capitalist takes the value before he pays the worker.

The purchase of tools and raw material is merely the acquiring of some value to have more value added by labor. As these tools and this raw material were produced by the application of labor to the goods in the store house of nature, the purchasing of them consists only of commanding others to come and go, carry and fetch.

What difference is there in exercising power to command between "fetch my smelling salts" and "fetch a ton of coal"; or between "build me a mill" and "make an omelette for me"; or between "carry my cane" and "carry that bale of goods"; or between "start up my yacht" and "start up that mill"? True, their ultimate or remoter purposes may be and are different. But the exercise of the power, and the approximate purpose is the same. It is commanding others, making them jump, making them come and go, fetch and carry, bring things together and separate other things. In the one case it

is done by the morgan for an immediate gratification, for the mere pleasure of seeing men jump and run; and in the other case both for this present gratification and pleasure and for the further gratification of raking in more surplus value, for which he has no more use than to make still other and more men jump and run and cry for bread. The far greater reason that moves the opulent morgan to have work go on is the pleasure it gives him to dominate others.

The only purpose served by the use of the term "capital" is to make it seem that a distinction exists where there is none in fact. It serves to support a fiction. This fiction is that the accumulated surplus value in the hands of the morgan produced by the worker and for which the worker was not paid anything has by some necromancy been turned into a fairy that produces more surplus value throughout the year for the morgan; that the worker has not produced the surplus and therefore "in justice and good conscience" is not entitled to it or to any portion of it.

This trick of attaching a label to a thing is not unique. The claim of an entirely new quality or attribute for a thing solely because of the new name is a frequent occurrence. It is most efficacious in misleading. It renders things dark and muddy that otherwise would be clear. The ruse has been successful only because it was not thought of any consequence when it was begun. It was not of much consequence then, it is true. People got used to it before it became of consequence and were then loth to question that which time had established. The resulting inconvenience and confusion of thought in the efforts to reason out the problems that grew up around the subject was charged either to other things or to the supposed inherent abstruseness of the problems themselves.

Now if a horse be used to draw coal for consumption under the boiler of a private yacht or of a freight boat, it is still a horse. The coal consumed on the freighter is "capital", that consumed on the yacht is not. A locomotive engine is not called by any different name when it is running east from the name it has when running west. Oats fed to a saddle horse used for pleasure are not called "capital" though they may be out of the same bag as oats fed to a working horse. Yet the oats that the draught horse eats is called "capital."

If the wage-slave were a chattel-slave producing value for his master, and receiving his daily rations from his master, then those rations would come under the classification of "capital." As wage slave he receives his rations just the same, though it may be in different form or a little different measure. Yet the food of the wage-slave is not called "capital."

If A hires B for so much a month or year with board, then every morsel B eats during the term is "capital" when viewed from the point of view of A, because it is value used in the production of more value. Not so from B's point of view.

"Capital", as the conventional economists use the term, stands for confusion of thought and muddy reasoning.

CHAPTER V.

WHAT IS CAPITAL?

The Elements of Value.

The argument for the wage system of productive industry may be fairly stated to be: (1) That there can be no considerable production of value without capital, any more than there could be any production of value without labor. (2) That capital participates in the production of value, therefore is entitled to compensation by way of return upon the investment, just as the laborer is entitled to compensation in the form of wages for his services in the process of production.

We must here get a clear understanding of our principal terms so as to avoid confusion of thought. Capital has been defined by all the conventional economists as meaning that value which is used in the production of more value. But here they stop. They give us three vaguely understood words that yet are of the highest importance. These should also be most clearly defined. The words are "value", "used" and "production". We can make no progress otherwise. The greatest of fallacies flow from the false assumptions that lie in the use of these three simple words by the conventional economists. This chapter will be devoted to an examination of the subject of value.

The conventional economists tell us that here is a "use value" and an "exchange value." All that they tell us in this regard is that considerations of value sometimes arise in connection with the utility of goods, and sometimes in connection with the exchange of goods.

We learn nothing of the nature of value from such teaching.

We are also told that some value is "value from production" and that some value is "value from obligation". Such sage utterances can relate only to the method of the acquisition of value by the individual, namely, that some get value by producing it and others have value given to them in discharge of obligations. We are not enlightened much on the nature of goods by being told that some of them come by slow freight and some of them by fast mail.

Other conventional instructors tell us of values that arise out of "marginal utilities." Their theory is that value and the extent of value is dependent entirely on how badly human beings want the things that contain certain satisfaction-giving qualities. Nor is there any light afforded us by this information to assist us in the inquiry as to what constitutes value?

The class of writers that have given us the sort of information referred to could just as well have told us that there are strayed cats, lost cats and stolen cats, and then call their work an analysis of the nature of cats.

There were however two writers who in the course of their work did approach a discussion of the nature of value. These were Karl Marx and John Stuart Mill. Marx in his great work "Capital", says:

"It thus becomes evident that since the existence of commodities as values is purely social, this social existence can be expressed by the totality of their social relations alone, and consequently that the form of their value must be a socially recognized form."

Karl Marx was a profound student of the writers on political economy that preceded him and did not escape being to some extent drawn into their method of reasoning, although he was most unrelenting in his warfare

upon them, and time has proved the eminent success with which he labored.

Marx struck the right cue when he said that the nature of value is purely social. Had he followed that cue to its logical conclusion he would have spared himself a great amount of work and would at the same time have spared his readers much of the unnecessary brain-wearying effort involved in reading "Capital". Marx labored under the disadvantages that usually burden the pioneer. Much of his effort was consumed in the clearing away of underbrush.

John Stuart Mill said: "Value is a relative term." Herein and to that extent we can agree with him. But then we have the all-important question: "Relative to What"? Mill says that value is relative to things only. Here is where I disagree with him. Value is relative to human beings living in society, and has to do only with social relations. Mill says "the value of a thing means the quantity of some other thing, or things in general which it exchanges for." The trouble with this statement is that a thing does not exchange itself for another thing. All of the exchanging is done by man. It is the difference between a transitive and an intransitive verb. The man who desires to exchange a thing for some other thing must find the man who owns the other thing and agree with him on terms. Their minds must meet and agree on an estimate of the amount of the respective values to the extent of effecting the trade. Under the present conditions value is entirely a matter of individual opinion and all statements of its extent or measure are wholly and vaguely speculative in their very nature, and can never be otherwise until the system under which we live is changed. Evaluation is at present nothing but guess work.

The conventional economists do not intimate whether

value is a substance or a quality, whether it is concrete or abstract, whether it can be measured by the yard or by the gallon, or by the hour, or whether it can be weighed.

The statement of Mill, and that is as good as any coming from the conventional economists, means that the thing xa exchanges for the thing xb because the thing xa contains as much value as the thing xb contains. That of course means also that the thing xb exchanges for the thing xa because the thing xb contains as much value as the thing xa contains. This beautiful piece of reasoning brings us right back to the point that we started from. It leaves us as wise as we were before.

The lucubrations of Mr. Mill and all of his school deal with value as if it were a thing unlike anything else in the heavens above or on the earth beneath or in the waters under the earth. All other comparable properties or attributes expressed in quantity, or compared for any purpose, have the benefit of definitely statable measurements. We can measure distance, we can measure time, we can measure bulk, we can measure heat, we can measure light, we can measure movement, we can measure velocity, we can measure energy, electric, steam, gaseous, hydraulic and atmospheric. We can measure all of these things accurately and to a nicety. The conventional economists pretend very learnedly to treat of a science of values, and yet they leave us in the dark as to what value really is. They leave value a vague, undefinable thing that cannot be weighed or measured.

The reason for this is very plain. A statement of the one essential of value, would show that their whole system of political economy is without support and cause it to fall together like a house of cards.

The term value, because of popular usage, has shades of meaning with which I am not concerned in this work.

I am interested only in its connection with and bearing upon public or political economy.

There can hardly be a public where there is only one lone man. Therefore there cannot be any consideration of public or political economy in such a world. If that one man catches a fish or kills a deer, and not being able to devour the whole of it at one sitting, he hides the remainder so that he can come back to it again from time to time to have another bite, he has left part of his labor stored in the uneaten provisions. Here we have two of the elements of value, namely, something useful and stored up labor power. But the third element necessary to constitute value is entirely wanting. There is an entire absence of human society. In a politico-economic sense there is not and cannot be any consideration of value there until another man comes along who might want some of the fish or venison. Then we shall immediately have human society, and that is what we are dealing with.

It were bootless to argue as to whether or not any value can be in the thing in itself when only one man is interested. He does not trade things with himself for other things. As well argue as to whether or not that value in the thing in itself could still be and continue in the absence of any human being. For instance, if the lone savage swallowed a fish bone, or took sick from ptomaine poisoning, and died before he had eaten all his store, where would the value in itself be then? What becomes of it? One might with no less point or relevancy in our field of inquiry, just as well stop and argue over the question as to whether or not a lone living being who had never met or had commerce with another human being, would be or could be possessed of conventional language so as to talk to himself as well as trade with himself, whether he could ever develop

the idea of communicating or trading without ever having anyone to communicate or trade with, or could have any other idea before he had any experience. Or one might as well discuss whether or not it is possible to receive a concept of distance or time in an absolutely vacant cosmos. These are purely academic questions so far as the matters in this work are concerned. I am considering here the matter of human society, man's relationship to man.

Take for instance the shave that a barber gives a customer. Here we have the three elements that make up value in the service performed by one man for another, producing for him the comfort of a clean face. Here are usefulness, human effort and human society. When we come to consider production we shall see that shaving a face is no different in the principle of labor than sawing off a board or the making of a coat. As the barber gives the shave to the customer it has value. for there is the social relation. But the customer cannot give that same shave to another. It cannot be made to enter into social relationship, any further. It can no longer be regarded as having value. If the man shaves himself there is no social relationship in the transaction and to say that that shave has value in the politico-economic sense is to indulge in a meaningless phrase. One could say the same for the act of the man blowing his own nose or washing his own hands or for anyone of many other similar acts.

Value is entirely relative. It relates however to human society. In the absence of human beings there could not be any value whatever. None of the other measureable qualities and attributes depend upon the presence or the existence of man. Distance, bulk. weight, time, etc., may very well exist on a dead and uninhabited planet. But there could not be any value there whatever.

Value is therefore social. It can only exist in human society. If only one human being lived upon this planet, there could be no value. This lone man would not be able to exchange anything with any other human being for any other thing. There must be a human society in which one man may exchange the ownership of one thing for the ownership of another thing. It is only another way to state the proposition to say that a thing must be brought into human society before it can have any value whatever.

A million tons of the very finest of anthracite coal at the bottom of an ocean a thousand fathoms deep would have absolutely no value until some one brought it to the place where human society existed so that one man could exchange it for other things that other men had and would exchange for the coal. Then and then only could it have value. The entire value in this coal would come into existence because of the expenditure of human effort. Labor, therefore, constitutes all the value that there is in the coal.

Nor does the usefulness of any article or substance, or the necessity of having it impart value to it. We could not live without water, yet water in itself has no value. In front of me lies Lake Erie, an immense body of fresh wholesome water as provided by nature in sufficient volume for all. If I transplant myself to its shore I will there have all the water I want, free for just the drinking of it and bathing in it. Yet there the water has no value. But here I am in my office overlooking the lake a mile or more away. If under primitive conditions some one should bring a pail of that water from the lake to me for my use and comfort, that same water in his pail would contain a value and I would be under obligation to give an equivalent of that value, contained in something else in return for it. I go

to the tap at the basin in my room and turn on the water. Here also this water has value. The element of value is the conscious human effort that was expended to bring the water to the place where it could be of service to another.

Take the air we breathe. Here we have every one of the elements that make it a necessary of life. Yet it lacks value. No possible effort of any person is required to make air available for another person to breathe. Therefore it is not a subject of exchange, does not effect the relationship of one man to another, or in the slightest degree effect the social relations. Should anyone still assert that air has value, ask him what is the measure of that value, how he will measure it. Whilst there may be unmeasured value, there cannot be immeasureable value any more than there can be imponderable weight. What is the amount? There can be no value unless you can find its equivalent any more than there can be a conception of a yard without a standard of measurement. Who is the owner, who the buyer, who the seller? If anyone answer that the air we breathe is worth life, I shall answer that he is indulging in senseless phrases. To whom would the life be payable? The moment you paid the life it would end, it would be valueless, death ensues.

If some morgan could devise a scheme to shut off the air, and charge a price for each cubic foot of it we breathe, he could doubtless drive a lucrative business. He would doubtless even flatter himself into believing that he was rendering a most valuable service by supplying us with air! But it will readily be seen that he is not adding the element to give value. His efforts would all have been the other way. His efforts were not to make an application of this air to our want. It was to keep us from having that which nature gave us, save

as we gave up to him in such measure as he dictated. He would enslave me, make me pay tribute to him, make us buy of him that which was already ours and which he had stolen from us.

Now it is possible to add even to air the element that would give it true and measurable value. A man might compress air into tubes, or he might extract and confine in packages the essential parts of air necessary to sustain animal life, so that it might be taken on a submarine boat trip where it would be available to sustain life. It might be used in high altitudes for the same purpose; or it might be used for medicinal purposes. Or it might be used in tunnel building, or it might be used to drive drills or other machinery. Here again we should have value created by labor in compressing the air, or in extracting the oxygen.

So too, value may be put into the sun's heat by labor in the building of solar engines to generate power, without the consumption of fuel. The sun's rays there are utilized directly and made a vehicle of value. All of this value is the result of human labor.

The very pull of the earth, gravitation, devoid of value in itself, has value imparted to it by labor, and labor alone. Without labor there could be no power generating equipment at any of the water falls to utilize the pull of the earth through the medium of falling water to run mills, operate distant electric motors and furnish light. Labor expended for a useful purpose in human society is all that there is of value in these things. All of the rest are free goods of nature.

The other illustrations that might be added are legion.

Yesterday I was out on the lake alone in a boat for pleasure and recreation. I was anchored over a rocky reef at least five miles away from any other person. The black bass were disporting in the clear water below me.

These fish had no value where they were. I caught one, cooked it and enjoyed a feast. Still there was no value produced. The fish did not enter into consideration between me and anyone else. There was no social relation, therefore there could not be any value. Wherein did my taking the fish from the lake and eating it differ in principle from my dipping water from the lake and drinking it, or filling my lungs with the bracing air? It is true the fish gave me sustenance. So did the water, so did the air. It is true that if any one had come upon me and demanded the fish I could rightfully have refused to give it to him. But if he had demanded the water that I had just dipped up to drink, or if he had demanded that particular portion of air that I was just then enhaling I could with equal right have refused to give it up. Here a social relationship arises. There and then we should have the additional element introduced to present to us the subject of value. The demand made upon me by my new companion for my service is a demand for value. Upon my complying with his demand, the cup of water and the fish became the medium by which my companion receives service from me. Here we have a transference of, a handing over of the only thing that can properly be called value, namely, labor service in relationship to human society. Neither the cup of water nor the fish in itself can properly be called value any more than an electric wire can itself be called the electric current that it conveys.

The life sustaining or serving properties of things do not in themselves constitute or impart value. The air I breathe, the light from the sun, the heat from the sun, the attractive power of the earth that enables me to be upon it and move about, the attractive power of the sun, planets and stars that hold the earth to this solar system, the orbit or track that the earth moves in around

the sun, nature's laws of chemistry, mechanics, etc., are all necessary for the maintenance of life in the forms that we see. Yet none of these things can be said in itself to have value. If the contrary be asserted, then what is the value of sun light, or sun heat? In the very nature of things, none can be weighed, measured or estimated. All of those things exist independently of man, and are not the subject of exchange.

Labor service has a beginning and an ending. It has scope, quantity and gradation. It can be accurately admeasured. Its equivalent is readily ascertainable, and it can readily be exchanged for its equivalent. That equivalent is a like amount of labor service. The equivalent of the value in the cup of water given by me to my companion or in the fish, is a cup of water dipped up by him at the same place, or a like fish there taken by him and handed to me; or the expenditure by my companion of a like amount of effort in rendering me some other labor service.

This admeasurement and exchange of value it might be said is upon the basis of unskilled labor. A giant in strength, born full grown, could not perform the simple act of dipping up a cup of water until he had acquired the requisite skill and understanding in the use of his physical powers and the handling of the cup. Skill is the product of previous simple labor that enters into the performance of the skillful act.

If some morgan had obtained from some prince or potentate, or lured from some legislature or other sovereign power a patent or grant of this great expanse of water and posted armed guards along the shore, forbidding me to drink of the water or take any of the fish except upon the terms imposed by him, then we should have the interposition of an alleged property right based upon and having its origin in the exercise of a superior

force for the gratification of this morgan to my detriment. Here I shall be confronted by the exercise of a war power against me and in favor of the morgan, taking from me by force that which nature gave to me in common with others of the past, the present and the future generations and giving it to the morgan. This morgan would then impose terms. If I wished to take water or fish from the lake I would be compelled to pay him a price. This price is tribute pure and simple. Not a particle of value has resulted from my exclusion at the hands of the morgan or at the hands of the sovereign for the benefit of the morgan.

Or perhaps the morgan will decide that he will dip the water from the lake for me to drink or take the fish from the lake for me to eat. The morgan would then have some right to say that he had given me this service of which the water, or the fish, was the vehicle, hence have given me value. It will be noted that I have said "some right". I have in mind and will now say only in passing, as I shall come back to the subject in its proper place, that this right is very much incumbered. In the first place and for the purpose of enhancing its quantity, the morgan adulterates the value by mixing with it the water, or the fish as such. In the second place, the value that the morgan does give me is tainted. It is saturated with the motive for gain, for profit, for the purpose of getting more in return than an equivalent in value for the value given by him. It differs from the transaction I had out on the lake. I dipped the water from the lake and handed it to my friend. He drank it, then dipped some water up and handed it to me. I took a fish and gave it to him. He ate the fish. He thereupon took a fish and gave it to me. I ate the fish he gave me. True, I was actuated by selfish motives. So was my friend. I desired the pleasure that comes from

being pleasing to my associates, the pleasure that comes from a spirit of abandon, the pleasure that comes from a self-confidence, from a casting out of all fear for my own future bodily comfort and sustenance, the pleasure of the mental attitude that comes from the physical act of treating lightly questions of my own comfort. Then there is the selfish desire of having my friend to regard me as being noble minded and companionable. My friend in returning the favors is actuated by the same motives, and finds pleasure in being equal in every way to the standards that excite admiration. This mental attitude necessarily excludes all idea of extolling the value of the services that either of us rendered. The very nature of the situation renders it degrading, in our minds, for either of us to suggest in the slightest degree that he was giving anything of great value to the other.

How different the transaction of the morgan! This creature hands the cup of water or gives the fish, not for the purpose of any pleasure in the act or to gain friendship, good fellowship or esteem. He is in business. His motive is to get the largest immediate return for the least outlay of effort. There is the motive to give no more service than just enough to present a show of value. There is the intermingling of the means of extracting tribute, the taint of coercion. Superadded to all, and as a corollary, there is the further motive to tell falsehoods, the puffing of wares, the effort to show values in excess of what they really are.

Other things are subject to the same analysis. The coal in the earth put there by the same nature that placed the water and fish in the lake has no value until one human being brings it to another human being who has need of it. The exclusive possession of the ground in which it lies imbedded has its origin in and depends for its continuation upon the war power of the sovereign

that excluded the rest of mankind from it and gave it to the morgan. This exclusion of the rest of mankind gives no value to the coal. It only gives to the morgan the power to exact tribute from me whenever I want to get coal, in the same manner that he would exact tribute to let me breathe the air, drink the water or take the fish.

The same is true as to the deer in the forest, the fruit and the roots that grow there and the grain that grows in the wilds. I may take them and eat them, yet there is no more value there, or consumed, than is contained in the open air that I breathe, or the many other necessaries that I take and that nature has provided for all living creatures. One is as conducive as the other to life. Yet value does not enter until a human being expends effort to kill the deer, pick the fruit, cut the grain or dig the roots, and bring them to another human being for the latter's use. So when the hunter kills the deer and brings it to me he is creating value, first by killing the deer, then by cleaning it, then by transporting it, the farther he transports it the more value he creates. I accept the venison and pay him. In doing so I am not buying the venison in itself, whatever popular speech may say. I am in truth and in fact buying the value that the hunter created, I am buying the result of his labor. The deer in the forest was mine as much as it was his and his as much as mine. It became a means and vehicle to hold and convey his labor as the pail was the means of conveying the water that took in and conveyed the labor of the man who brought the water to me. The same is true of the fruit, the grain and the roots. To say that I buy them is only a figure of speech. What I buy is the labor service of the man who gathered them.

The value in the produce of the cultivated fields and

pastures is of the same nature. It consists of the labor imparted to and into the free goods of nature, rendering them more serviceable and more available for the promotion of human life, comfort and happiness.

As a result of the foregoing considerations I should say:

Value is that which results from the applied effort of a human being producing a usefulness in whole or in part of which another human being may avail himself. Another good definition would be: The transmittible good brought into human society by human effort.

CHAPTER VI.

CAPITAL.

What is Meant by the "Use" of Capital in Production?

"Use", in the sense that value is used in the production of more value, means to employ value for the attainment of a purpose and end. Now as all value is the result of human labor, when one says that value is used in the production of more value, all that possibly can be meant, in reason, is that the labor of the past is added to and enhanced by the labor of the present, and that this orderly system of production results in an ever increasing volume of value.

To call some of this value capital, and so give it another name serves one and only one purpose. It beclouds the mind. Human labor is expended upon the free goods of nature, making them mediately or immediately either applicable or more applicable to the satisfying of human wants. Separated from all idea of satisfying human wants, nothing has value. When the wants of the morgan are satisfied and he still has an abundance of value left over, that abundance would at once lose its value if there were not others with wants capable of being satisfied, and without any other means of being satisfied than from this surplus that the morgan still has on hand.

The morgan by reason of his control of the surplus can dictate the terms upon which the rest of humanity may satisfy their needs. He may require them to climb greasy poles, immerse their faces into basins of molasses for pennies, catch the slippery pig, walk backwards be-

fore him, low bowing in servile obeisance. He may require them to part his hair, wash his face or hold his kerchief. He may require them to fetch his salts or his cigar, or to carry his cane. He may require them to operate his motor car. He may require them to man and navigate his private yacht. In none of these things is the value applied by the morgan in paying for this entertainment or whim-dictated service called capital.

You may analyze every instance of employment and thousands more that might suggest themselves, and you will find that they are all to go and come, to gratify whims and do reverence. All of them are in obedience and in recognition of the morgan's power to command the acts and movements of others through his property, power to shut off from them their supply of the free goods of nature, as well as the value imparted to those free goods of nature by human labor. To shut these things off is to shut off the necessaries of life. Without this power of the morgan, all of his store of surplus value would be valueless. His wealth would be dross. The power of being boss, the power to dictate to others, to order them around, is the quintessence of all that is attractive in his wealth.

The workers produce large quantities of value. After they have produced it, they receive out of it that dole necessary for them to have so as to live and produce more. The morgan consumes all that he can consume of the surplus in riotous and sumptuous living and in the maintenance of a numerous train of personal attendants. A huge residue of value still remains. This the morgan graciously permits the gentile still further to enhance. All this however is done, as before, under the terms and conditions imposed by the morgan. For it is all his property. All this, so that he can keep right on in the same process, extending ever his power

to wider and wider spheres, so as to be able to drive and harass an ever increasing number, without end and without cessation.

The dole which is allowed the producer of value, is called wages. From the morgan's point of view it is capital. He regards it as value used to produce more value. The same is true, to him, of the oats fed to the draught-horse. The dole which the morgan gives to his personal attendants and flunkies who produce nothing is also called wages. But this is not regarded as capital, for it is not said to be used in the production of more value. Nor are the oats fed to the polo pony regarded as capital.

There is no basis in reason for giving a different and distinguishing name to value to which more value is added in the course of further production. The nature of that value is not changed a particle by increasing its volume. It is still social and relative, though its function may be changed. It were just as reasonable to give a distinguishing name to the sand itself in the bottom or the middle of an artificially produced sand pile, because without there being sand at the bottom or in the middle of the sand pile, there could not be any on the top. It is true that without the bottom and the middle there could not be a top to the sand pile, but it was labor that placed the sand upon the bottom, and into the middle and then into the top of the pile. The bottom did not create or help to create the top of the pile any more than the top created or helped to create the bottom.

You could not have a glass full of milk unless you had some milk in the bottom of the glass. Yet who will say that the milk in the bottom of the glass produced or participated in producing the milk in the top of it? Who would say that the milk in the bottom of the glass

is capital and is entitled to pay for the service of holding up the milk on top?

This trick of sticking a new name on an old thing has a wonderful effect of fooling us for a little while. A gambling room is called a tombola, and everybody thinks it is something different, until he has gone into the thing and finds out. When I was a boy the public drinking places in this country were called bar-rooms. Presently new names were attached over their doors. They were called saloons, then sample rooms, then buffets, then grill rooms. Every time a new name was tacked on it suggested that the thing was different. The purpose was the same. It was to make your mind defer to the suggested lure that here is something superior, something new and therefore something nice. But every time that we went into one of these places with a new name and looked it over we found out that it was just the same old bar-room. As soon as such a name became common and everybody familiar with it, a new name appeared.

This thing, or game, or institution, whatever you may have a mind to call it, parading as capital has never been gone into by the exploited masses before our generation and looked over carefully. But we are now going into it, and are tearing down the curtains and draperies and turning the search light into the dark corners and private stalls. And we find that this mysterious name is simply a device and mask of the same old occupation of the robber-barons and highwaymen of former times.

Yet the device and mask is most crude and absurd. If a horse be employed to draw coal for consumption under the boiler of a freight boat, the horse and the coal are both capital as also the boat because "used to produce more value." This same horse employed to draw coal to be consumed under the boiler of a pleasure

yacht, if the coal is being sold by a dealer for profit. is still capital, but the coal ceases to be capital as soon as it is delivered to the pleasure yacht. Now if the horse, the coal and the yacht all belonged to the same man, then none of these things would be capital.

Oats fed to a polo pony by its owner are not capital. But when a grocer's delivery horse eats oats, though out of the same bag, he is eating capital.

To multiply illustrations any further does not seem to be necessary.

In the use of this distinguishing name, capital, where there is no distinction, lurks the subtle and far-reaching deception. It insinuates the notion of a change in the nature of value, which change in truth has never taken place. The deception is rendered all the more mischievous because suggested. As the setting hen accepts as her own, the chicks of strange eggs hatched by the warmth of her body, so in like manner does the unsuspecting mind accept as its own the absurd notions and deductions that its own warmth generates from seeds of falsehood insinuated into it by and through the wiles and powers of suggestion.

It is boldly claimed that wages, so-called, paid for productive labor is capital, because forsooth it is value used in the production of more value. The truth of the matter is that the worker receives nothing until after he has produced the full value from which he receives his allowance called wages. So far as the worker's wages are concerned it cannot in the first place be said that they are advanced at all, or that the value that is called wages is capital. That value could surely not have been used in the production of more value when it was not in existence at the beginning of such production and only came into being as a result of the operation of production.

The morgan does not in fact pay anything to the productive worker, because the worker produces and gives up to the morgan in advance the value produced. It is the morgan, if anybody, that takes pay. The worker hands over large quantities of value, big bills as it were, to the morgan, and the morgan graciously tosses back a little small change to the worker. The amount of the small change depends entirely upon how much it takes to maintain the worker so that he can continue in the, to the morgan, profitable and agreeable occupation.

The fact that the morgan in taking the value produced by the worker is actuated by the motive and purpose of changing it into another form called money cannot make any difference in the principle. It is value in the form that he gets it, and it is value after he has changed it into the form of money. He gets value, returns a portion of it to the man he got it from, calling the returned portion wages. That surely is not advancing wages or anything else. Nor is it using value for the production of more value. The process is simply that of getting another to produce or to add value to the material worked upon, and then letting him have a modicum to live upon.

The purchase of raw material and tools by the morgan, in its essential quality consists only in exchanging value in one thing for value contained in another thing. What difference is there in the command to fetch a case of champagne and the command to fetch a ton of coal; or between carry my cane, and carry that bale of goods; or between start up my yacht and start up my mill? True, their ultimate or remoter purposes may be and are different. But the exercise of the power and the immediate purpose is to direct the movements of another and are in their nature the same. It is commanding others, making

them jump, come, go, fetch and carry, bring things together, and put other things apart. In the one class of cases it is done by the morgan for his immediate personal gratification, for the mere pleasure of seeing men jump and run; and in the other class of cases it is for the same immediate gratification and pleasure, but also for the further purpose, gratification and pleasure that the morgan gets from raking in more surplus value. For this further accretion of value he has no other use than to make still other and more men jump and run and whine for bread. By far the greatest reason that the morgan has to have productive work go on is the gratification to his self-love that comes from being able to direct and dictate the activities of a multitude of other people, if not directly, then indirectly, but equally if not more effectively.

The word "capital" supports a fiction. That fiction is that the accumulated surplus value in the hands of the morgan, and produced by the worker, and for which the worker was not paid, has by some legerdemain been turned into a philosopher's stone that lures forth more and ever more surplus value from the beautiful island of somewhere for the favored morgan, and that the worker is not entitled to any more than just such meagre portion of the total value produced as will be sufficient to keep up the supply of workers.

CHAPTER VII.

CAPITAL PRODUCTION.

All production, of whatever kind or nature, consists in the bringing together or the separation of things. It is carrying and fetching. Nature produces a potato by bringing together water, starch, sugar, albumen, gum, asparagin, fat, solamin, nitrogenous substance and ash. She produces beef by bringing together water, protein, fat and ash. She produces air by bringing together oxygen and nitrogen. She produces water by bringing together hydrogen and oxygen. Nature brings together all the ingredients of honey and deposits them in the many different kinds of blossoms. Bees gather this honey together in their hives and man takes it from there to market. We say that the bees make the honey. But every act in the process by which the honey is produced and finally placed upon the market consists of carrying and fetching, combining and separating.

Man separates the potato from the ground, brings it into contract with salt and water, and boils it in a pot, or bakes it in an oven. By continuing the process of separating things and bringing things together, man produces food from the potato that was in the ground. Man kills the ox. This facilitates the operations to follow. He removes the hide and the offal. Then he separates the carcass into a number of parts, carries the parts to a number of different places for further distribution. The separation into parts and the distribution is continued. The beef is brought together with water, vegetables or cereals, and seasoning, and is boiled in a pot. Then we have soup. Some of the beef is roasted

and thereby its particles brought into other relationships with each other, and into combination with other articles of food. There we have a dinner produced. Brought together and boiled with potatoes, cabbages, beans, peas, onions and what not, a New England boiled dinner is produced. The coal, wood, stove, fire, etc., were also brought together to produce the desired result.

A tree is cut down. This is a removal of the tree from its position in the earth. Its branches are lopped off, the trunk sawed up into boards, sills and scantlings; all a removal, a severing of one thing from another. Then the separated parts of that tree are carried away, maybe on a railroad train, brought together with separated parts of other trees, and when bricks, mortar, nails, glass, paint, oils, putty, iron, locks, hinges, etc., are brought into proper relationship with them, a house is the result. Every time a board is sawed a portion of that board is removed from another portion, there is a displacement of matter. Every time a board is nailed into a position in the house, it is a bringing of matter together with other matter. These illustrations might be multiplied ad infinitum.

Enough has been shown to make clear the point that all process of production, both chemical and mechanical, consists of bringing and carrying of things, changing their position and relation to each other. This in chemistry extends from the cooking of a potato to the making of an ingot of steel, and in mechanics, from the peeling of a potato to the operation of a railroad train.

The same principle holds true in every field of production engaged in by man. In agriculture, man supplements the work of nature in separating things and bringing things together. First, man only picked the fruit and nuts, gathered the grain and dug the roots for food. He learned in time that he got more and bet-

ter fruit, nuts, grain and roots whenever the plants producing these things had freer access to nature's chemical stores. So he trimmed away surrounding foliage and pulled up crowding weeds that absorbed the substances that his fruit, grain and root growing plants required, and loosened the surrounding soil. After a while he made clearings, tilled the soil, planted and transplanted the fruit, grain and roots, and kept the weeds out. He learned to add fertilizer to the soil. Then he learned to graft from one plant to another, acquired the secrets of crossing and pollenization, improving and diversifying the fruits, grains and roots. All this amounted to enhancing the effect of the operation of natural forces in separating certain things from the cultivated plants and in bringing other things, and more in quantity of them, to the plants cultivated, rendering them more fruitful, useful and desirable to man. In all of these acts man merely followed the laws of nature as he came to understand them. In removing and keeping the things not wanted away from the things wanted in the plant, and in enhancing the flow of and bringing the things wanted together in and to the plant life he supplemented the work of nature. Thus analyzed, we find that agriculture is the carrying and bringing of things. That the agriculturist is dependent upon nature, and natural laws do not affect the principle. In the other operations of man spoken of, he was also dependent upon nature and natural laws. In making the fire, cooking the dinner and casting the ingot, he was dependent upon the forces and laws of chemistry; in cutting up the tree into boards he was dependent upon the wedge in mechanics, and in transporting the material he was dependent upon the wheel, another principle in mechanics.

To say that nature herself makes the plant grow is no more argument in opposition than to say that the

raftman or boatman did not bring his logs or cargo down the river, because the water in the river carried the raft or cargo, or because the current was sufficient to move it along and all the man did was to guide it safely down the stream; or that the woodman did not bring the log down the hill because he put to good use the law of gravitation; or that the smith did not make the horse shoe in bringing the different particles of iron into different relative positions, because forsooth he first had the fire to heat the iron. It may in fact be said that in every thing that man does in bringing and carrying, he utilizes nature's forces and laws. In peeling a potato he uses nature's mechanical law found in the wedge by having that wedge made into a knife that enables him to cut the potato.

In literature the same thing holds true. In writing this book I am bringing together different thoughts—and these are also things. Many of these have been brought together before. Some of them have not, perhaps, been brought together before in just this way. I am bringing them together to meet a want, as I believe. That is my labor. I shall also, I hope, remove things erroneous, incumbering notions. If I succeed in my purpose, I shall succeed in removing things from the mind, things that obstruct and prevent clear and fruitful thinking on the subjects treated. The same holds true as to music and the stage, and all the fine arts. Every block of marble contains within it a beautiful statue. All of the sculptors art consists in separating the statue from the surplusage of marble.

Every true educator brings things together for the mind of the student or apprentice. He also removes things that litter up the mind and obstruct healthful, productive mental or physical work. More than all, if he is in reality an educator, he cultivates or assists in culti-

vating the mind of his pupil or apprentice so that it will continue on throughout life to bring things, carry things, separate things, analyze things, combine things; producing health and comfort for the student or apprentice, and untold benefit to others. And every benefit that the pupil or apprentice achieves or confers in after life is contributed to in a large measure by his teacher.

The surgeon and the doctor of medicine bring and carry things in the practice of their profession. They eliminate the harmful and introduce the beneficial. This is true whether it be done with the knife, with medicine or with advice and instruction in hygiene and regimen. It is in principle the same as with the educator, or the boatman.

I have not attempted to enumerate all of the occupations engaged in bringing things together or carrying them apart.

The transporter is therefore also a producer of value in so far as he carries things from one place to another where needed to supply human needs. The merchant in so far as he distributes things to the persons requiring them is also a producer of value. This, however, does not mean that the mere transfer of the title of things by the merchant produce value. Far from it. The transfer of title does not produce any value whatever. That is merely incidental to the service of distribution under the present conditions of society. It is, however, made the means of taking profit. This is quite different from receiving in return for the service of distribution an equivalent of the value produced.

CHAPTER VIII.

CAPITAL.

Capital Produces Nothing. How Value is "Used" in the Production of More Value.

By the aid of the fiction created by the use of the word "capital," the exploitation of the workers is concealed as in a cloud of dust. The name "capital" connotes a difference in values where there is none. It connotes a difference in attributes and qualities. This constitutes one of the basic falsities that underlie the conventional political economy of our time.

Conventional economists say that capital and labor are both actively engaged in the production of value and that capital is entitled to compensation for its services just as labor is entitled to such compensation. Both these pretensions are unqualifiedly false. There should be no need to prove their falsity, for the burden of proof rests upon those who make the assertions. But instead of making any proof, they have always been content with naked repeated assertions supported by nothing but parade, prestige, and that show of responsibility that brute force gives to accumulations of wealth.

Ordinarily it is difficult to prove a negative, but it is not difficult here. Since I dispute the right to use the word "capital" in this connection in the sense that it is employed, I shall decline to become enmeshed in its net of fiction by using it in this chapter, and shall discuss the naked subject of that value which enters into the production of more value.

That value which is "used" in the creation of more

value, is simply transmitted and made to fuse with, or merge into the additional value subsequently created by human effort. This is true whether the value so "used" be contained in the raw material that enters into the new product, or whether it be contained in the material consumed in the process transmitting the value in the material consumed into the new product, or whether it be in tools, machinery and buildings that by use and wear have the value contained in them gradually transmitted into the new product.

As labor created the first value, the discussion resolves itself into one concerning the method and sequence of labor.

A goes into a forest, not yet appropriated by the morgan. His purpose is to fell and cut up a tree for firewood to sell. He clears away the underbrush about a tree so as to be able to work more advantageously. As between himself and the rest of human society, he by that labor creates and imparts to the land about the tree a value that is to be used in the production of more value. The value now newly created lies in the resulting advantage in being unimpeded in the work of chopping down the tree. Will any one contend that this advantage or value swings the axe against the tree? The advantage is a value only if it be transmitted into the firewood that is yet to be produced by further labor. If it be not so transmitted, then it was only speculative, and failed of fruition. If A, after clearing away the underbrush, concludes to spare the tree and turns his attention to other things, and no one else takes up and continues the work, then the value created in clearing away the underbrush disappears. The existence of the value in the clearing was conditional and dependent upon its being utilized by transmission into the wood of the tree by further labor. In this respect the value in the clearing

occupies precisely the same position as the value in tools and machinery.

Now, assume that A fells the tree. With every stroke of the axe he is creating value, beginning even with the first stroke. Each succeeding stroke adds more value to the value produced by the preceding strokes and brings the value created by them nearer and nearer to fruition. Without a first stroke there cannot be a second stroke; without the second there cannot be a third, and so on until the tree falls. Each stroke of the axe creates a value that is transmitted and merged into the greater value, simultaneously with the creation of more value by more labor. This constant transmission, merging and shoving forward of the ever increasing value with and into the ever newly created value continues until the tree falls. Yet every particle of this value, that resulting from the first chop of the axe and that resulting from every succeeding blow, until the last one is given, is continuously dependent upon the labor subsequently performed and to be performed to rescue it from evanishment; and this continues to be so until the tree is cut into lengths and split up into pieces of the required dimensions for firewood. Until then all value is contingent, depending upon the further expenditure of labor for its continuation and realization. All of the value as fast as it was created by each chop of the axe, constituted, according to conventional economists, the basis of and was "used in the production of more value" until the individual sticks of firewood lay in the pile. During this course of labor all of the value so long as it entered into further operations came strictly and fully within the classical definition of capital.

When the tree is down, A lops off the encumbering small branches and foliage, thereby continuously creating more value by his labor that as continuously goes

into the prostrate tree. In doing this he steps up on the trunk of the tree and into the branches, using them instead of a step ladder, thus applying also as a tool in the creation of more value the value already created. Then A cuts the trunk and limbs into the desired lengths, and proceeds to split the wood into pieces of the thickness required for final use. In so doing this he finds that his work is facilitated by using a thick piece from time to time to lean other pieces against. He thus can produce more split wood in a like time than otherwise. These thick pieces so applied represent value and are applied in the course of producing more value.

Let us now vary the case a little. Suppose two men, A and B, both in need of firewood and both having the same right in this primeval forest, and both also owning axes, mauls and wedges, and both equally proficient in felling trees and splitting wood. They select the tree together. On the first day of work B is otherwise engaged. A goes to the tree in the forest alone, clears the surrounding ground, fells the tree, lops the brush off and cuts the trunk into the lengths required, consuming the day in this work. The next day A has other work to do, and B goes into the forest alone. B splits the wood up in the same manner as in the first instance related, divides it into two piles of equal size, one for himself and one for A. He also consumes a whole day in this work.

Now, supposing A claims that he should have more than an equal half for furnishing the capital. Suppose he says to B, "I did as much work as you did, for which I am entitled to as much as you, and besides that I furnished the capital without which you could not have produced such an amount of firewood. If I had not cleared away the underbrush and felled the tree first and cut it into lengths you could not have split it up, for it

would have been impracticable and well nigh impossible for you to climb the standing tree and split it up; if I had not cut the trunk into lengths you would not have had large pieces to use from time to time as chopping blocks. That which I produced became the capital for you to work with and upon, and greatly enhanced the amount of value finally produced. My industry furnished the capital, that capital was mine and I am entitled to the benefit of what it produced when it was working together with you. Capital and labor must work together and in harmony. That cannot be if labor claims and takes all that is produced by their joint efforts. Capital must have its just compensation. Therefore, I will take the one pile for my labor of the first day and five-sixths of the other pile for the work of my capital on the second day. One-sixth of the second pile is all you need. The rest must be given to capital. Fair dealing demands it. Anything less would be unjust and unreasonable!"

Now does A do anything less if he succeeds in befuddling B, than filch from B the results that flow from an orderly co-operation and method in felling the tree first instead of beginning at the top to cut it up whilst standing?

Suppose A at the close of his first day, or at any time in the transaction, had sold out to C, would that make any difference in the nature of the transaction or the principle involved? The sale by A of his interest or labor at the close of the day to C, or the juggling of A's property or title in the value that he had produced from one to another or any number of "capitalists" could not by any possible legerdemain have breathed the breath of life into this value which C now calls capital or cause it to perform any work whatsoever.

Take the case of tools already touched on but in-

cidentally. The principle is exactly the same. A, having no tools, wants to fell trees in this forest. He finds a deposit of iron ore and also some lime stone, builds a crude little furnace, in it burns value containing fuel, makes an axe, gets a hickory stick, fits it into the axe, proceeds to fell trees and splits up the wood, which he sells. The axe is called "capital." When A made the axe, he produced value. The conventional economist say that this value is used in the production of more value. That is a specious truth, pregnant with a far-reaching false implication. The conventional economists take the position that the value uses itself up in co-operation with labor in producing more value. If it be conceded for the purposes of the argument that the value is "used," then it is untrue that it uses itself, it is not active but entirely passive. And if we still concede that it is "used," then it is labor alone that does the using.

But the truth of the matter is that the value is not used. Only the corporeal form is used, or changed. The value is not used or consumed. It is merely passed on by labor in the course of the creation of more value. When you turn an electric current into a perfect conductor, it is not being used by passing through the conveyor, its use occurs only with its application to its final purpose. When you pour water from a pitcher into drinking glasses, you are not using the water, you are only passing it along, changing the vehicle or package, as it were.

When A fells trees and chops them up he is by gradations transferring the previously created value contained in the axe into the firewood, whilst he is at the same time creating more value. He continues doing so as long as he continues felling and chopping up trees with that axe. When the axe is worn out all of the value

that it contained will have been transmitted by gradations into the wood produced.

Does it alter the principle that when A made the axe he made 99 other axes for 99 other poeple who rendered him an equivalent in value contained in other things for them? Or does it alter the principle that some other person made the axe for A whilst he was doing something else in return for the axe-maker, or that he gave in exchange value contained in some other thing? Or does it alter the principle in the least that in the exchange of the service of A for the service of the axe-maker a confusing medium called money entered into the transaction? I think not.

An axe is simply and only a combination of mechanical powers, namely, the wedge and the lever. The axe is the wedge and the helve is the lever. Here then he has had heat, the wedge and the lever. Every step in the process, beginning with the digging of ore, that led to the final purpose of A to have the trees piled up in cordwood, was a necessary precedent to those following; every succeeding step merely carried along the value previously created and embodied it in combination with and in addition to the newly created value; none of the earlier steps could be of any ultimate useful purpose or benefit to man, or if ultimate value, unless followed up by the succeeding steps. The furnace was not of any use without the making of a fire nor the fire without the bringing of the iron ore nor the iron ore without the smelting, nor the smelting without the making of the axe, nor the axe without the making of the helve, nor that without the cutting up of the trees into fire wood, the final end and purpose of the series of actions.

Many additional illustrations might be given. In building a wall we lay the first layer of stone at the

bottom. That carries the succeeding layers, course after course. Each course constitutes value and is applied, "used" the conventional economists would say, in producing more value. You could not build the wall without the "assistance" of the first course. Therefore the first course should also be called "capital," and ought to share in the pay for the upper courses. You cannot hem a handkerchief without applying the first stitch to produce the second and third, and so on and on.

The preceding acts furnish a basis, their effect is transmitted and their value added to the succeeding acts. The succeeding acts, on the other hand, furnish a motive and purpose and give value to the preceding acts. It would be folly and a useless waste of energy to make axes if that work were not to be followed by further acts of production. To the claim that the more direct and intermediate result of the acts prior in time should be given an extra name "capital" and awarded an extra compensation to be paid out of the result of the subsequent acts, it is a complete answer that the subsequent acts rescue the prior from futility, without the subsequent acts, the results of the prior acts would never be realized. The results of the subsequent acts have as valid a claim to the higher consideration and as good a right to demand extra compensation or premium, over and above the pay for the workman's work. Such a claim is equally as valid as the other. Each neutralizes the other.

It probably will surprise some to be told that the doctrine of the superior right of the subsequent over the precedent has for a long time been and is still recognized and given validity in maritime law. But it is only to serve the interest of the morgans. In other words, when the interests of the "capitalist" are to be subserved by doing so the rule is that the precedent has rights above

and loaded upon the subsequent, and when the interests of the "capitalist" are to be subserved by reversing the rule, the rule is reversed and the subsequent is given a superiority over and loaded upon the precedent. This is found in maritime liens. There the last claims upon a vessel for supplies, repairs or services rendered the vessel to facilitate its use as an instrument of navigation, impress upon it a maritime lien. These liens are given precedence in the inverse order of their creation, the later ones being first recognized and the earlier ones taking whatever of value may be left. This rule rests upon the specious reasoning that it is in the interests of the nation and navigation to pay those first who assist in preserving the property and furthering the maritime enterprise for the benefit of the staler claims. But the real purpose is to let the ship owner evade liability if his unseaworthy and played-out hulk should go to the bottom of the sea. All claims of sailors for wages and other services rendered the ship-owning morgan, are enforceable against the vessel only and not against the owner. The proceedings to collect such claims are called proceedings in rem, that is, they are against the thing. If the thing goes down, the sailors' claims go down too. The morgan, however, gets the profits as long as the ship is useable. It is a case of "heads I win, tails you lose."

What has been said of the axe and the wood-chopping enterprise applies to every other productive enterprise. The axe is a simple tool. Yet its production involves the application of the forces and laws of nature. The production and use of the axe are an application of the principles of mechanics found in any machine. The value contained in the most complicated and elaborate machine follows the same principle and is transferred into the final product by further labor. It is simply a

pushing along, a transmission of value from one thing to another, like the pouring of cream from a pitcher into a dozen small cups.

As to factory buildings, the principle is identical. They are erected for the purpose of ultimately producing the things that are sent out of them, and they constantly depreciate as their value is being transmitted piece meal to the goods manufactured. If building and machinery remain idle, their purpose is not realized; they depreciate and go to waste. This value is fully dependent on further labor for its application and continued existence. The laws of nature are constant and inexorable. Nothing is static. Everything is dynamic. Everything must move or be ground to dust. So with that property attached to and invested in material things, that property called value. It must be continuously in transmission from one material thing into another. It goes from the axe into the wood, from the plow into the grain, from the factory into the output, from the railroad into the goods transported. For this transmission of value and its rescue from inevitable destruction, the morgan calling himself a "capitalist" is wholly dependent upon the willing hands and brain of the gentile worker who in the act of rescue and transmission of value creates ever more and more value.

The principle is the same as to improvements upon land. The man who makes the improvements puts value into the land. He has thereby created value and has a right to demand an equivalent of that value from any one to whom he turns over the land. But his improvements do not themselves participate in the creation of any subsequent value. The value in the land is simply transmitted. The subsequent work of the worker adds more value to what was created before.

The labor power that creates all value, preserves it,

transmits it and enhances in preserving and transmitting, it by adding to it still more value. Hence labor power is the basis of all values. It is not embodied in any material thing outside of man himself. It springs from and is dependent upon life. Human life is dependent upon the sustenance contained in the free goods of nature, produced by natural forces, supplemented by the expenditure of human labor power. Without its daily supply of this sustenance, life would soon end and with it the power to labor. The gentile of the first order by reason of the meagre dole called wages, which is just sufficient for him to live upon and produce, can accumulate but very little of a reserve store of the means to buy of the free goods of nature and value imparted to them by labor.

The means of existence are held by the morgan in large surplus quantities and they do not succumb nearly so fast to the ravages of nature as human life does. As this surplus will sustain life the morgan, so long as he can successfully maintain his claim to exclusive ownership, can sit down and eat as much of it as he wants to and let the remainder go to waste, whilst the rest of humanity looks on until it perishes.

When the morgan, whether by initial industry, or by force or fraud, or by means of glass beads or bribery, or by this or that hocus pocus, produced or under color of law possessed himself of the result of the work which in the nature of things has to be performed first in the order of production, pasted the mystifying label "capital" upon it and insisted that the bulk, or any portion, of the subsequently added value be handed over to him as a condition that he permit the process of production to go on, he became an interceptor. Like the highwayman, he commands the road and calls upon all the rest of us to stand and deliver. But he is a lawful highwayman.

He, in fact, makes the law, and his law says that he may throw the wooden shoe into the machine and so stop production until his terms and conditions are accepted at discretion. In fact, he may do so whenever he likes. There we find the most frequent application of the idea of sabotage. Sabotage is to stop the machine. It can make no difference if this stoppage be accomplished by drawing the fires from under the boilers or by throwing a sabot into the gearing, or by locking the mill gate.

CHAPTER IX.

THE EVALUATION OF CAPITAL AND RATING OF PROFITS.

We have seen that all production consists of bringing and carrying things, changing the shape, position and relationship of substances to meet ever varying human wants and requirements. The morgan, by reason of his power, exercised through his state, clubbing all gentiles away from the resources of nature, which he calls his property, as a matter of course obtains at the start complete control of all the things that have to be brought, carried, combined, separated or fashioned. He controls production.

The morgan "capitalizes" this power, intermingling it with surplus value created by the unpaid labor of the gentile worker, calling it all "capital." He then attaches an arbitrary valuation to this "capital," based upon the extent of his power to wring out profits, in the way of more surplus value, from the unpaid labor of the gentile worker, and then he justifies his profit and the rate and extent of it by that same evaluation of his so-called capital.

The morgan, by exercising proprietary dominion over all the storehouse of nature, exercises a relentless proprietorship over all the things of nature that he can seize and that belong in the list of what I have been calling the free goods of nature. He thereby holds the power to dictate terms of life and conditions under which the gentile worker may do his work of supplementing the operations of nature and producing needed value to obtain his livelihood. The proprietorship also of the value

so to be produced by the gentile worker has an attraction for the morgan, equal to the proprietorship of the resources of nature themselves which he already has. So he exercises the power he has and asserts ownership of all value added to "his" things by labor. The morgan is quite prone to take and devour all the value so produced. But to do so would stop any more value from coming into being, and that would be a calamity.

The gentile of the first order is the goose that lays the golden eggs, and that operation could not continue unless allowance be made to keep the goose alive and in laying condition. So the worker must receive the minimum necessary for him to live according to his station in life, to replenish his labor power and continue his species. The morgan therefore allows the worker the minimum. But he allows it grudgingly. As a logical result and consequence of his proprietorship of everything that was in existence before production, the morgan in his own eyes is, and of right ought to be, the sole proprietor of all that follows. He instinctively feels that not a single atom has been added to what was already his, either actually or potentially. It never dawns upon him that the bringing and carrying of "his" matter by the working gentile, the bringing about of new combinations and forms, creates the value and is all that there is of real value. All this value is from the economic position and viewpoint of the morgan, merely incidental and secondary to what he regards as the real thing, the atoms that constituted and continue to constitute "his property." Therefore he, quite naturally, regards himself as the lord and overmaster of this value also created by labor and imparted to existing matter. He cannot but think it a shameful and unpardonable mistake of nature that she made the gentile with insides that have to be filled some three times a day to keep the worker in

working order, and gave to him other needs that have to be supplied. The morgan's interests cannot reconcile themselves to nature's caprice that compels a compromise with the needs of the gentile's life. So if we concede the morgan's proprietorship, we must also concede that it is quite proper and reasonable that the morgan assert the right to determine the measure of the minimum; we must concede to him the right to satisfy himself that the worker is honestly and in good faith living upon the very least that the worker can get along with; we must concede that any longing on the part of the worker for a larger part of the value he creates brands him at once as a dishonest man at heart, and a rebel in spirit against the existing order; and we must also concede to the morgan the right to educate the worker, and tell the worker how and when and where he might cut down his living expenses, and how he should get away from high living "and the cost of high living." If the morgan owns everything, why then he is paying the fiddler and should have the right to choose the tune. Every man naturally feels that he should have the right to control and guide the things he is paying for.

Now the worker is in this respect often "quite unreasonable." He is often influenced by the middle of his insides, and such absurdities. He does not always let his head, stuffed with morgan-serving ideals, commandments and creeds, control his conduct. He often lets his feelings run away with his mind and when he does, he gets to be quite extreme in his unreasonableness. He presumes to have a word to say as to what the minimum of his allowance shall be. The morgan, of course, regards this as the maximum of audacity. Controversy ensues. The morgan, in the full consciousness of his property rights and overlordship, refuses as a matter of principle to concede any right to the pre-

sumptious and arrogant gentile to interfere with his property rights. The gentile pleads and offers to arbitrate. But the morgan, strong in the justice of his superiority secured to him by church and state, "has nothing to arbitrate."

If we concede the morgan's proprietorship, then we must condemn the worker as an unreasonable disturber of the natural order whenever he asks that the minimum be readjusted. Every time the worker demands the right to have a voice in the adjustment of the amount of the minimum that he shall receive, he is making a treasonable attack upon the morgan's sacred right of property. This is sedition, and sedition must be suppressed. The gentiles, however, greatly outnumber the morgans. Therefore, to hold sedition down, it is of the highest diplomatic importance that a great show of right and justice on the side of the morgan be maintained. "The strongest is not strong enough to continue always master, unless he transforms his power into a right, and obedience into a duty." To remember this makes it easier to perpetuate the proprietorship. The morgan's intellectual police are therefore brought into full requisition. It is their work here also to befuddle the gentile minds. So they give an arbitrary money term valuation to the proprietorship, and then preach and teach the right to continue taking interest and profit upon the basis of this valuation. Their exercitation attaches an arbitrary money valuation to everything seizable in heaven, on earth and beneath the earth.

So long as the gentiles can be clubbed away from or out of a free and independent use and enjoyment of anything, it is enough to make that thing go by the name of capital. Everything the proprietorship of which can be used to wring out profits, is appropriated and given the name of "capital" as well as an arbitrary valuation in terms of money. Then because it has this tag of money valuation

affixed, it must in morgan justice and fairness be unhampered and unmolested in its right to continue taking profits for the further gratification of the morgan's greed. It is called "wealth." At one time cattle gave the name to wealth. A morgan's wealth was evaluated in heads—*capita*—of cattle. Thus we have the arbitrary name "capital" given to everything on which, and with which labor power can be expended in producing value; and everything seizable and without which the gentile cannot live.

All of the actual value resulting from the expenditure of labor power by the gentile therefore belongs to the morgan as a matter of course. He owned all the material in the first place and the value created by labor could not be lodged anywhere else than in that material. The gentile's working efforts have to be exerted upon something, otherwise they will be only grotesque gesticulations. It follows that as it was in the beginning, so it is now, and so it will be to-morrow, under morgan rule. The morgan owns all.

Eternal vigilance is the price of the morgan's proprietorship, also of the subsequently created value. As the arrangement does not always set well on the gentile's neck, the mind of the gentile must be kept away from thoughts and suggestions that are dangerous to the profit idea resulting from proprietorship, and his heart must be kept free from covetousness as to these profits. So the morgan's intellectual outfit here too gives a reassuring and virtuous sounding name to the resulting surplus value that the morgan riots in.

When a thing gets a virtuous sounding name the thing is morgan right, for a time at least. Surplus value is said to be the compensation of capital and it is called "profit"—"legitimate profit." It is legitimate because it is baptized, recognized and legalized by the morgan's ever-servient church and state. So there we have it, Capital and Profit! These are the two pillars of the morgan's system of so-

ciety, carrying between them the straight and taut cable line of morgan reason. This cable line by thong and ring holds in leash all the sage wisdom within reach of the morgan and his intellectual servitors. This wisdom, leashed to the ring on the line, imagines itself free, poor thing, because like a spaniel it may disport itself running back and forth between the seemingly great and imposing pillars of Capital and Profit, taking its exercise and displaying its agility under the admiring gaze of the sometimes to it generous morgan.

According to spaniel logic, nothing in all creation is logical or worthy of the least study or consideration that does not come within reach of the spaniel tied to the line between the post of capital and the post of profit. Various names are used for these stakes. "Capital," "investment," "vested interests," "income producing property" are some of the names given to the one. "Interest," "profit," "returns," "compensation," "income," are some names given to the other. But it is all the same. The names, like the whole scheme of logic in support of the theory of capital and profit, are calculated only to becloud the issue.

The argument to support the theory of profit-taking is based upon the claim of compensation for the capital "entering into and used in production," measured by the claimed "amount and value" of the capital. The amount of claimed value of this "capital," whether acquired by purchase or accretion, is based upon the volume of profit that the proprietorship of it will enable the proprietor to wring out of production. Or to put it into other and perhaps plainer words: The more profits the "capital" will extract the greater "value" it has, and the greater the "value" the "capital" has, the more profits the owner of it is justified in demanding. The whole reasoning of the theory of "capital" consists in begging of the question. The morgan takes more profits because the "valuation"

of the capital is greater; and the "valuation" of the capital is greater because the morgan can take more profits by means of it. What a beautiful circle!

The amount of profits extracted is always justified by the amount of the capital; and the "value" of the capital is always justified by the amount of profits—surplus value—that it pulls out or is expected to extract. The morgan logic never leaves this charmed circle. It is, or pretends to be, utterly unable to see, hear or understand anything beyond. The spaniel does occasionally "smell a rat." Then he just howls and furiously runs along his restricted course from capital to profit, from profit to capital back and forth, again and again, snarling and snapping at all who dissent from his canine course of reasoning.

A large amount of real value, consisting of the unpaid for value created by labor, enters into that thing called capital. That real value is capable of being admeasured and its true basis and amount ascertained as already pointed out, but not by the morgan method. And whilst that value furnishes the stock argument for that much ridden term "thrift," the measure of it does not in the slightest degree enter into the evaluation of "capital," or the rating of interest or profit, within the reasoning and special justification specially manufactured in the morgan colleges for gentile consumption. The price of the capital stock of any company is always determined by the amount of profits—surplus value—that the company is getting out of the gentile's labor, or gives promise of getting. That is the basis upon which one morgan sells it to another morgan. That is the whole basis of the evaluation. If the land, plant, patent, secret or outfit was bought at a cheap price, in view of the profits obtainable, then the investment was good, the cheaper the better. If very cheap, then it was "splendid," and you

could not buy it for anything near what it cost, because it is worth more, it has more morgan-value. If the thing was bought at a dear price based on the profits obtainable, then the investment was a bad one, and if no profits at all are obtainable and there be no promise of profit, then the investment was a complete failure, the stock has no morgan-value, you cannot sell it unless you fool some one into buying a worthless thing. The most costly plant, tools and machinery that cannot be utilized to get surplus value are without worth and valueless in the morgan's world, except only as a scrap heap, and the land will likewise sink in its morgan-value to such a price as will be commensurate with the profits that it might yield in some other enterprise.

As the amount of surplus value produced by the worker increases, the evaluation of the "capital" is increased, and much faster, at that, and the greater extraction of profits justified. A splendid illustration of this is given by the bulletin of the Department of Commerce and Labor at Washington, based upon a compilation of the figures relating to manufactures, obtained by the Bureau of the Census for the period between 1849 and 1909. As the amount of surplus value per worker increased, the value set upon the capital kept on increasing as follows:

Year.	Surplus Value per Worker.		"Value" of Capital per Each Worker
1849—	$237.52	Factory, hand and neighborhood industries..	$ 557.13
1859—	362.51	Factory, hand and neighborhood industries..	770.15
1869—	377.14	Factory, hand and neighborhood industries..	825.10
1879—	375.02	Factory, hand and neighborhood industries..	1,021.10
1889—	545.48	Factory, hand and neighborhood industries..	1,534.75
1899—	628.63	Factory, hand and neighborhood industries..	1,849.52
1899—	598.95	Factory.....	1,904.49
1904—	673.55	Factory.....	2,317.86
1909—	771.30	Factory.....	2,785.96

The census of 1910 also shows the movement in per-

centages. The increase in the amount of value added to material by manufacture from 1849 to 1859 was 84.1 per cent and the increase in "capital" is given as 89.4 per cent. From 1859 to 1869 this increase in value added to the material 63.3 per cent and the increase in capital 67.8 per cent; to 1879 these figures were again increased to 41.4 and 64.7; to 1889 they were again increased to 113.4 and 133.8; to 1899 they were again increased to 34.3 and 50.4; to 1909 they were again increased to 76.6 and 105.3.

Thus the evaluation of the power to wring out surplus values is always expressed in figures well in advance of the figures that express the increased value added to material by manufacture. Thus is sustained the "moral" argument of a "fair return for the capital invested." It is just the same as the evaluation of a piece of land. It keeps rising constantly in advance of and faster than the advantage to draw rent increases.

From 1849 to 1859 the evaluation of capital, so-called, was increased six per cent more than the value added to material by manufacture increased; to 1869, seven per cent more; to 1879, 56 per cent more; to 1889, 17 per cent more; to 1899, 47 per cent more; to 1909, 37 per cent more.

It is true that the number of establishments increased also. It is also true however that a factory is constantly deteriorating in value, because the value is constantly going out, as we have seen, into the product of the factory. Of this the census gives us no figures.

Assume for the purpose of further illustration that a worker produces 100 units of value per week and needs 25 units of value per week to live upon and work. The morgan allows the worker the 25 units he needs must have. The remaining 75 units constitute surplus value. The morgan takes this and calls it interest or profit or

compensation for the so-called service rendered by his power to intercept which he calls capital. Such an enterprise, of course, is a "money maker" and if one morgan wishes to buy it from another he will be required to pay a price commensurate with the "money making" power of the enterprise. The morgan selling it will charge as high a price as he can get and in the morgan sense that is and will be the value or amount of "capital" in it. If 15 per cent be regarded as a fair return or compensation then the "capital" producing 75 units of surplus value per week or 3900 units per annum net, will be said to be worth 26,000 units. That is the morgan-value of it. If the surplus-producing or profit-bringing power doubles, then the morgan-value or amount of the "capital" will at least double also. It will be said to be worth 52,000 units, or more. If the surplus—or profit-making power decreases or passes away then the morgan-value, or amount of "capital" also decreases or passes away. The plant becomes junk when it produces no more profit.

By increasing the morgan-value of the "capital" commensurate with the profit-begetting property of the enterprise, the profit or compensation for the "use" of the "capital" is always kept upon what in morgan morals and ethics is called a "fair basis." It is like the politician's trick of keeping tax rates down by raising the valuation. But this game of the politician is puny in comparison.

CHAPTER X.

EXPLOITATION.

All of the ramifications of the morgan as an exploiter are merely ramifications, never varying a particle in principle. The prime object and purpose of all his "brain work" has always been to exact rent and interest from all the gentiles, and to abstract the surplus produced by the gentile of the first order, the worker. During the early ages of the morgan's civilization this surplus was small, comparatively. The chattel slave and the serf could not produce so much over their keep as the modern "hand" producers. Therefore in the days of chattel slavery and feudalism there was not so great an accumulation of the surplus value.

As we look back chattel slavery and feudalism appear to us in all their bald hideousness because to us there was no adulteration and no sham palliation of the brutal proprietorship of men and lands, and with it proprietorship of the results of industry. The morgans of those days are not and cannot now be paraded before us decked with false feathers. They are not held up to us of a later age as men of industry, thrift, superior intelligence or frugality, holding their fortunes by virtue of hard work and strict attention to business.

The morgans of old did not pretend to be workers by falsely calling themselves farmers or manufacturers or builders whilst they were only jugglers of natural resources and surplus values. Their pride of birth and social position did not permit of their parading as farmers or manufacturers. That to their mind was degrading. Though my process of reasoning is far different from theirs, I arrive at the same conclusion. It was

degrading. I cannot imagine anything more degrading than a false pretence that merely covers up spoliation. The modern industrial morgans are like many rich and therefore "respectable" ladies that have china painting done by artists whilst they themselves sit by and chatter, then brazenly have their names burned into the work and hand it out to the uninitiated as the production of their own "wonderful" talent.

The morgan in industry produces absolutely nothing. If a man gives his personal attention and service in some way to his own business so as to contribute by that personal attention and service to the value produced by human labor, then only, and to that extent only, is he not a morgan but a gentile. And he is entitled to the full amount of the value that he produces. But to the extent that he draws profits to himself, he is a morgan.

The morgan to the extent that he is a morgan loafs around, talks big, looks wise, puts his name or mark upon the value that the gentile produces and bags the surplus value, calling it interest, profits or compensation. His bag has grown enormously large. We shall now trace the progress of that growth.

At the inception of the morgan's reign the surplus of values was small, comparatively, because the chattel slave and the serf could not produce so much over their keeping and there was not so great an accumulation of man-wrought wealth as now. The handcraftsman developed rapidly with the abolition of feudalism and chattel slavery. The handicraftsman was to an extent the proud owner of his own skill and besides that owned the tools that he worked with. He produced somewhat more of value than did the chattel slave or serf. There was very little of the morgan's "capital" that was or could be expressed in value. The morgan owned the land and thereby the raw material and the hut that the

handicraftsman lived in. For this the handicraftsman paid tribute out of the value that his labor produced. Outside of the comparatively small revenue that went to the morgan landlord, either in kind, in labor or in money, the gentile retained what he produced, simply because there was not enough of it for the morgan to take as exploiter without starving out the handicraftsman and so losing even that which he was yielding, or driving him into rebellion.

In time there appeared in embryo, the exploiter of the worker, the taker of surplus value. In course of time the exploiters who survived the destructive war of sinuous competition grew into the morgan type of exploiters. At first there apeared the master handicraftsman, employing a number of journeymen handicraftsmen. By exploiting them he "made" little more than compensation for assembling raw material and marketing product. The master would get a profit consisting of say twenty per cent of the value produced by a small number of men. There is no data available as to the true amount and these figures are given merely as a starting point and to show the process rather than the proportion.

The master handicraftsman had to and did work along himself and in that way got his livelihood. Then came the development of the master handicrafstman into the manufacturer along with the development of the grouping of hand-workers, or manufacturing method. This method consisted of the co-operation of a number of workers to produce given results. The work was divided and sub-divided, each worker becoming more efficient in performing certain parts of the work of production. The less skillful parts of the work were performed, and performed just as well, by the less skillful hands of those whose station in life demanded for them less to live upon that the more skillful. It opened more and more

opportunities for utilizing the labor of women and children. Thus the volume of output per worker was enhanced without enhancing the amount the worker received of the value he produced. It merely increased the surplus of value for the master, now developing along toward morgan dimensions.

The next stage of industrial development following the manufactory stage was the mill or machine-factory stage under which we are now living. The introduction of labor-saving machinery and large organization of industry worked a most complete and marvelous revolution in the method of applying human labor to the production of value, and enormously increased still further the productivity of human labor, and requisitioned more and ever more of the women and children to serve in the growing and wearying drudge of productive factory work. The highly skilled mechanic now disappears. The cunning of the craftsman's hand becomes a drug upon the market. It is rendered superfluous by machinery and improved methods. The machine tender is ushered in to wear his life away, watching and directing tools now clutched in the untiring grip of power driven machinery. The machine tender himself becomes as it were a part of the machine. Special skill and good muscle are displaced by lathe and jenny, and a thousand other contrivances equipped with belt, pulley and motor, attended by stunted men and emaciated women and children. The so-called blessings of civilization are not for these children of the race. On the contrary, all of these expropriated gentiles are permitted to be upon the earth only to be exploited by the morgan, now also in the guise of manufacturer, mine operator, etc., etc., "employing labor," and so to advance the morgan's blessed civilization for the glory of the morgan.

This is the course of all productive industry, whether

in the factory, in the mine, on the farm, or elsewhere. Everywhere the press and drive is toward production on a large scale, crushing out the smaller master handicraftsman or manufacturer by improved methods and greater scope and power. There is no longer any hum of industry. All is soot and smoke and glare, screach and clatter, producing a deafening roar and rush of wealth to the bursting stores of the morgan.

Under the earlier forms of exploitation the amassing of wealth was comparatively slow. The reasons were quite natural. Human productive efficiency was low in comparison to what it became in later times and the early tools of production were simpler. Then the life of the average individual counted for more in production. The handicraftsman in importance was above the tools and owned the tools that he worked with. He received a larger share or proportion of the value that he produced. Or, to put it in another way, he did not produce so much more than he needed to live. If the developing morgan exploiter pressed down a little too hard upon him or if he felt it irksome to be under any pressure at all, it did not require so great an effort to start in business for himself and in a little while perhaps become an embryo exploiting morgan.

The early exploiter was not wholly exploiting. He was part worker. If he had ten workers under him the aggregate of the surplus from their labor was not sufficient to support him in idle luxuriousness. If the exploiter got from ten workers as much as one-fifth of the value they produced, each one producing 100 units of value per week, it would give him in the aggregate an amount equal to that produced by two workers, say 200 units of value per week.

Though the exploiter was frugal and could live comfortably for his time on this booty, he was not and could

not be satisfied. His cupidity did not permit of it, and without cupidity he could not have been an exploiter. So he worked also and by his work produced as much value as he needed for his keep. The 200 units surplus per week that he "made" on his workmen accumulated. In a year of say 52 productive weeks, the exploiter had a snug 10,400 units of surplus value. His workers had nothing of the surplus value they had created. What if some of them did draw heavier on their health and strength and pinched from their lives a little accumulation of value units? That did not give them and does not now give to any of those who try it any of the surplus they created or now create. It does not get them into the game of profit filching. Those who get into the game from time to time get in by reason of their craft and daring, called "business ability." Their little savings only supply the jimmy. Fully many more get the jimmy itself by exercise of that self same craft and daring.

How stupid to starve and pinch to get the jimmy, when, if you have the "talent" for putting up a strong front, winning confidence, borrowing on your own face and note, kiting, flimflamming and sharp turning, you can get your jimmy in a much more genteel way! It furnishes a most wonderful stimulus, besides, to the self assurance and brass called business enterprise. That self assurance and brass is worth even more than the jimmy. It is worth more than gold. The ordinary clod-hopper cannot see or understand it, for it is under a cloak, and he is so impressed that he regards the "talented gentlemen" almost as a god. This is worth much more than the jimmy itself to the man that has it. The morgan's intellectual outfit point to the brilliant examples and preach at all the gentile mass to go and do likewise, and shout that all will win success if they only try hard enough. They do not attempt to tell us

who will be the workers if all should succeed in becoming exploiters, nor do they expect us to reflect upon the conditions of life possible in a society such as their ideal of business suggests. Wouldn't it be fine to live in a community where everybody got his livelihood by the complaisant pursuit of burglary? What possible difference can there be between burglarizing one another's houses for one another's goods, and exploiting one another for one another's goods?

If the implication of turpitude is confusing or disturbing, let us take a perfectly moral illustration. How beautiful it would be if we all would make our livelihood by taking in washing from one another, or if we all got our living in Jerusalem by peddling matches to each other. According to the sophistry of the morgan's school if everybody in a foot race would only run fast enough, everybody would win the big stake.

The self-complaisant intellectuals of the morgan's outfit, when thus smoked out say that all men are not alike nor equally endowed, that only the few best and fittest can win, and that the many must fail. Then they have the brazenness to assert that their successful jimmy men are the few best and fittest, the upper classes, the most competent, and that they ought to have, as they do, the cream and fine bread, and that the great mass of human kind who have no predilection for jimmy work are the inferior, the lower classes, that have to be, and of right ought to be, content to live on a short allowance of inferior skim milk and husks. They exalt and extol the meanest and degrade and stigmatize the noblest of the human race. They prate wisely of the inexorable law that decrees the survival of the fittest, assuming that that society is the best where bestial characters are best developed and prove the fittest. Their opposition to any change of this form of society is based principally on

the very claim that this is the best sort of society to develop the character that is most fit to survive in it.

It would be as legitimate an argument to say that putrid carrion is the best sort of place to develop the maggot and that, ergo, the maggot is the fittest creature in that sort of an environment, because he survives. Therefore, in the name of all that is holy, do not remove the carrion, do not abolish the conditions that produce the creature most fit to survive under those conditions, no matter how vile the creature or how vile the conditions.

The more the exploiting appetite is fed, the more ravenous it grows. When the little morgan exploiter beholds his accumulation of 10,400 units of surplus value accumulated from the workers in one year, he looks about for opportunities to expand. He will get 20, or 30, or 40 workers, accept and apply suggestions for re-arranging and reorganizing the methods of production, all with the one sacred purpose of increasing the amount of surplus value produced in gross and per capita. New schemes, devices and machines, the product of gentile minds, as fast as proved of advantage to the morgan, are accepted and introduced, further and further increasing the output of surplus value. So the machine, which is simply a development of tools and methods, brings in the factory and factory methods of production. It is of no difference whether the machine is operated within a large building, or in a large mine, or on a large farm. It all constitutes the factory method of production. This means a much larger amount produced per person employed.

The Appeal to Reason's Arsenal of Facts for 1912, by Fred D. Warren says on page 66:

"The following table is compiled from the 13th Annual Labor Report, which presents in detail the results of an investigation by

the United States Labor Commissioner, showing the difference in the time required to produce a certain number of units of manufacture by the hand process and by the machine process. The report is out of print. This table is valuable and should be preserved. With it you can discover at a glance the difference in the two methods, and you will begin to understand why the owners of the machines wax rich while the worker struggles to live. For instance, under the old hand method it required 118 hours to make one landslide plow. Today, with modern machinery, it requires less than four hours. The worker to-day produces 30 plows in the same length of time it formerly required to make one plow. If he worked in the good old days for $1 per day, it cost his boss about $11 in wages. To-day he gets $2 per day and in eleven days gets $22 in wages. For this outlay on the part of the capitalist he gets 30 plows. In other words, the capitalist doubles the wage fund and increases his wealth 30 times—or, assuming that plows have decreased one-half in price, he still has wealth 15 times greater than did his predecessor. The laborer gets for his $2 to-day just what his father got for $1—'his board and keep.' Go down the list and you will grasp the significance of the figures and will know the secret of capitalist accummulation:

	—Hours—	
	Hand Method.	Machine Method.
Pitchforks—50 pitchforks, 12-inch tines	200	12
Plows—1 landslide plow, oak beams and handles	118	3
Bags—5,000 cotton flour sacks	137	28
Bookbinding—500 12 mo. books, 32 pages, full cloth	228	59
Shoes—10 pairs men's fine grade, calf, welt, lace shoes, single soles, soft box toes	222	29
Boxes—1,000 strawboard, paper-covered shoe boxes, 11½x6x3⅛ in.	228	34
Crackers—1,000 lbs. graham crackers, packed	160	35
Carpet—200 yards ingrain carpet, cotton warp, wool filling, 1,088 ends, 26 picks per inch	151	64
Carriage—1 eliptic spring, leather top buggy, piano body, dropped axles, banded hubs, cloth trimmings	200	39
Watch cases—10 gold hunting watch cases, 18 size, engine turned, "Barleycorn shield" pattern	174	35
Watch movements—1 key-wind, brass hunting watch movement, 18 size, full plate	195	5

	—Hours— Hand Method.	Machine Method.
Combs—1 gross horn dressing combs, 7x1¼ inches, coarse and fine, teeth 1¼ inches	66	12
Barrels—100 flour barrels, patent hoops	50	22
Rope—300 pounds ⅜-inch hemp baling rope	134	17
Corsets—1 dozen medium sateen corsets, 17 eyelets in back	210	18
Hatchets—12 dozen No. 2 shingling hatchets, 22 pounds per dozen	191	54
Firearms—1 double-barreled, breech-loading, hammerless shotgun	202	58
Pamphlets—Printing and binding 4,000 pamphlets, 32 pages, 3⅜x5¾ inches	234	5
Newspapers—Printing and folding 36,000 pages	216	1
Lithography—Printing 1,000 sheets art work, 19x28 inches, 6 colors	281	5
Typesetting—100,000 ems, newspaper work	209	45
Envelopes—50,000 No. 6¾ plain white envelopes	217	15
Butter—500 pounds, in tubs	125	12
Shirts—1 dozen white muslin shirts, plaited linen bosoms, linen-covered collars and cuffs attached	119	15
Lounges—12 oak frame, round end, plush-covered lounges, 69x23 inches, antique finish	246	46
Harness—1 set double coach harness, traces, 10 stitches per inch	234	40
AGRICULTURE.		
Barley—100 bushels	211	9
Corn—50 bushels, shelled, stalks, husks and blades cut into fodder	228	34
Corn—50 bushels, husked, stalks left in field	48	18
Cotton—Seed cotton, 1,000 pounds	223	78
Hay—Harvesting and baling 8 tons timothy	284	92
Oats—100 bushels	265	28
Potatoes—500 bushels	247	86
Rice—10,000 pounds rough	235	64
Rye—100 bushels	251	100
Strawberries—500 quarts	216	84
Sweet potatoes—50 bushels	151	58
Tomatoes—100 bushels	216	89
Wheat—50 bushels	160	7

	—Hours— Hand Method.	Machine Method.
MINING.		
Coal—50 tons bituminous	171	94
TRANSPORTATION, ETC.		
Loading grain—Transferring 6,600 bushels wheat from storage bins or elevators to vessels	222	53
Loading ore—Loading 100 tons iron ore on cars	200	2
Unloading coal—Transferring 200 tons from canal boats to bins 400 feet distant	240	20
Unloading cotton—Transferring 200 bales from vessel to dock	240	75
	4,749	1,019

According to this comparison the factory method of production is about 4.66 as effective in the number of articles produced. But this by no means states all of the increase of efficiency in the production of surplus value. There are no statistics available to show the improved quality of the articles produced by reason of the greater accuracy of the machine.

The improved factory methods have wrought changes equally great in the production of the raw material of which the enumerated articles are produced. And last, but by no means least, the schedule does not give us the slightest inkling of the number of hours of labor that have been transferred from better paid skilled male adult hands to cheaper unskilled male hands, or to the still cheaper hands of women and children. All of these things add measurably to the volume of surplus value, and surplus value is what the morgan exploiter is after, and what we are concerned about now.

For the purpose of illustrating the workings of the morgan's system of exploitation I instanced that under the system of manufacture before the advent of machinery, the exploiter would get 20 out of every 100 units of value produced by the worker, the worker get-

ting only as much as he needed to keep him at work, namely, 80 units. This is a fair basis now for a further consideration of the effect of the development of factory methods of production upon the relative conditions of the morgan exploiter and the gentile worker.

The increase of the productiveness of the gentile's work is much more than 4.66 times 100 units, the first amount as I have pointed out, but I shall take it at that figure. So each worker produces 466 units of value per week. Or 1000 workers in a factory would produce 466,000 units of value per week. The worker still gets no more per week than enough to keep him working, namely, 80 units, or 80,000 units for the 1000 workers. If it be claimed that the workers' standing has raised and therefore he must receive and does receive an advance according to his raised standard of life, I shall for the present answer that it is very evident that the excess over and above the 4.66-fold increase in his productiveness of value much more than offsets any such claim. I shall also show in a later chapter that this claim has absolutely no basis in fact; that the figures furnished by the United States Department of Commerce and Labor show that he gets actually less; that the apparent improvement in his condition is a result only of his higher intelligence which enables him to get better results from a smaller allowance, and that even this increased intelligence is exploited by the morgan for more profit still.

Therefore, the morgan under our plan of reasoning gets now of the value produced by the worker 386 units to every 80 units that the worker gets. Thus every 1000 workers produce weekly 386,000 units of value which they do not get, but which constitute a surplus that the morgan abstracts under claim of ownership. These figures, of course, are only estimates and are given to show the system, rather than the exact proportion.

The morgan is unable to consume any more than a small portion of the appalling accumulation of surplus values, despite his devastating appetite. The unused heap of value grows continuously with ever accelerating rapidity, and the great problem, and the only problem that can enter the wealth-besotten mind of the morgan and his "intellectual horde", is the problem of how to dispose of this surplus value to the further glory of the morgan; how to trade it off so as to gain yet more surplus value by the trade.

Here we have then the scramble for foreign markets. The surplus value that the gentile worker produces and is not permitted to have, the morgan of each country tries to ship abroad somewhere, even at lower prices, to get in return wines, gems, paintings, statuary, titles and coronets, or to acquire abroad still more of the natural resources, mines, railroads, factories, etc. This makes an army and navy necessary to "protect our interests abroad and to extend our trade."

The figures taken from the 13th census of the United States, Summary of Manufactures, though not at all sufficiently illustrative, is indicative of the constant increase in the volume of surplus acquired by the morgan from the work of the gentile of the first order. The figures given are of factory or wholesale prices, relating only to the juggle of the morgan, and do not in the slightest degree inform us of the purchasing power of the workers' wages in purchasing as he must from the morgan as retail merchant; yet here are the figures: In 1899 there was added by the workers in the factory to raw material, value, stated at $4,831,076.000, for which the wages and salaries of employes amounted to $2,389,-132,000, leaving stated surplus at factory, $2,441,944,000. In 1904 the amount added in the factory to the raw material, as also expressed in money, was $6,293,695,000, for

which the wages and salaries of employes so expressed amounted to $3,184,874,000, leaving surplus at factory stated at $3,108,821,000. In 1909 the amount added in the factory, as expressed in money was $8,530,261,000, for which the wages and salaries of employes so expressed amounted to $4,365,613,000, leaving surplus at factory stated at $4,164,648,000. The number of workers producing this wealth in 1899 was 4,712,763, in 1904 they were 5,468,383, and in 1909 they were 6,615,046. This was not much if any over one-fifth of the persons engaged in or who were available for productive work.

These figures do not by any means fairly represent either the amount or the proportion of the surplus value filched in the holy name of profit. They are the factory figures and not anything near the retail figures at which the worker gets what he needs from the morgan whose other face appears in the front and aspect of retail merchant after he, the morgan, has played his beating part in all the intermediate stages. All of the filchings of profit and percentages of these intermediate stages, as well as of factory rent, etc., are only the carving up of the surplus value and an apportioning of it among the divers branches or departments of the morgan's profit abstracting system. It is merely the elaborate bookkeeping machinery in which the worker as such has no interest and by which he is not in the slightest degree effected, any more than that he is befuddled thereby. It might however be here stated that the true aggregate amount of surplus value annually filched cannot be stated without figures showing the retail price in the aggregate. These figures are not available. Our statistical system is as yet too imperfect.

The Summary of Manufactures referred to says that the amount of value produced was added to previously produced value of raw material amounting in 1899 to

$6,575,851,000, in 1904 to $8,500,208,000 and in 1909 to $12,141,791,000. The value in this raw material was also the product of human labor, and all of it had in the same way been subject to the same abstraction of rent, interest and profit, the usual method of abstracting surplus value.

We cannot expect to measure out the exploitation going on in the morgan's labyrinth, and put it down in figures. Sufficient can however be extracted from the tangled mass so that no one can gainsay that it is monstrous and enormous.

The exploitation by means of the railroads in 1910, less taxes, amounted to $824,241,301. On June 14, 1912, the national banks held as clear accumulated profit, not paid to stockholders, over and above capital and deposits, $952,450,074.81, and the state banks, $271,373,944.18.

The figures given from our national reports are only examples. The wearisome details as to the measurable extent of our exploitation expressed in money-terms are beyond the purpose of this work. I am concerned only with an examination of the motives, methods and principles that drive and guide the morgan ruler and owner of the earth and all things on and in the earth. There are many volumes of statistics and reports from which the dilligent plodder can get much corroboration. Sufficient be it here to say that the morgan's bag of surplus value has grown to appallingly huge proportions.

CHAPTER XI.

EXPLOITATION CONTINUED IN MERCHANDISING.

The merchant presents a duality of character. When the merchant renders a service personally, he is to that extent a producer of value. In another, and more important aspect, he is simply a continuation of the morgan as exploiter and profit taker. In so far as the merchant and his wage workers distribute or facilitate the distribution of useful things and enhance the usefulness of those things by removing them from the places and persons not wanting them to the places and persons that want them, they carry and fetch, combine and separate, and thereby and to that extent produce value in as true a sense as the carpenter or farmer produces value. For this service the man engaged in merchandising is naturally entitled to compensation. He has a right to as much value in return as he creates by his service of carrying and fetching. He must get the minimum that he needs to live upon in the performance of that service, and to rear his children. Otherwise he will not carry and fetch.

By far the principal part of the role of the merchant consists in profit taking. It is true that the net returns gotten by many merchants are meagre, scarcely affording a comfortable livelihood; and, as if to add insult to injury, they are not permitted to get those returns as compensation for services performed, but are compelled to filch them as profits. It is the case of ordained dishonesty being manyfold more laborious and less remunerative than an honest method would be. But we cannot

be honest under the system of society that prevails. To-day, as much as ever, Mercury is the god of the merchants as well as the god of the thieves.

The profit-taking taint so permeates the whole of merchandising as to give color and flavor to it all. Merchandising is part of the morgan's machinery of exploitation. The culmination of the process is here reached.

The measure and extent of the worker's exploitation is not capable of being stated or approximated until we get to the point where he receives his quota of goods for consumption. This is because the production of value in the goods does not cease until that point is reached.

The last act of value production takes place when the commodity is delivered into the hands of the consumer, thereby ceasing to be a commodity and becoming merely goods.

The process of producing value begins when the raw material is first taken from nature, and it continues until the created value contained in finished goods is delivered into the hands of the ultimate consumer. The length of time that the articles necessarily lie in storage or display, either in course of production or awaiting consumption, and the incidental labor in care and protection, so far as necessary, also forms part of the process of production; but so far as unnecessary and avoidable, such labor is merely wasted. Aside from the work necessarily expended in the distribution of needed goods, the whole process of merchandising is an unnecessary process of juggling, in the scheme to get profits for the morgan under our present system of society. Necessarily, the extent of the filching cannot be even remotely appreciated until we arrive at the end of the process. Here we have the expression of the aggregated value produced under the morgan system, stated by the morgan in morgan money-terms. This expression is derived from and

is rooted in the amount of labor power expended by the gentile of the first order; not however the relatively small amount of labor power expended in producing the amount of value now handed to the gentile in the final forms of his necessaries, but the amount of labor power surrendered by him, in his duress, to get the pennies now within his palm, to sustain himself and his progeny.

Viewed as a seller, the worker sells his labor power at its actual cost. Viewed as a buyer he pays all that he has of labor power for his livelihood. His true position is that of buyer. Every gentile has to buy his living in the market of the morgan by whom he was expropriated; and, unlike the robin, who simply takes of the worms that nature provides for all robins, without any question as to his right, the gentile finds himself barred from his own store house by the morgan's property rights, so-called. He finds himself expropriated of all that is seizable of nature's free goods. So he has to buy that which nature supplies spontaneously, as well as the enhancement of it resulting from the work and learning of his ancestors. All that he can offer in liquidation is his own labor power. The morgan learns that he can also reap a large profit from the use of the gentile's labor power if he can get all of it. So he sets that as the price. He takes from the gentile of the first order all of his labor power in payment for sufficient of the necessaries of life to generate this labor power again from day to day and to insure a continuous procession of gentiles to the morgan's workshop and market to meet the requirements of the morgan's trade and the demands of the morgan's whims.

The gentile of the first order receives coin from the morgan as master of the job. He hands the coin back to the morgan as master of the supply magazine. This coin gives the money-equivalent and money-measure to the

quantity toward which constantly gravitates the measure of the amount of necessaries that the gentile must have to replenish his labor power and propagate and rear his kind. That fixes the point around which hover the expressions of the value measurements of necessaries. The amount that the gentile of the first order can get at the morgan's magazine for the contents of the pay envelope that he gets at the morgan's pay car or pay office, constitutes the true wages received by him for the expenditure of his labor power under the morgan's goad. That also gives the gauge of the money sum expressing for the time the quantity of intermingled value and free goods of nature that all of the other gentiles of the second and third orders must strive, cheat, steal and struggle for, that they must obtain, by fair means or foul, to sustain themselves in life.

To be sure, there is an interminable amount of controversy, and a deal of striking and even riot and mutiny, but it is all in the struggle of the gentile to maintain the status quo as against the downward press of the morgan. When the morgan gouges more of the surplus value by raising retail prices whether it be directly, or whether it be indirectly, in sending up wholesale prices, or driving up rents and land "values" or interest rates or what not, the worker of necessity retaliates by demanding a larger money expression of his daily allowance. He really does not as a direct result of success in this effort get any more value than he got when the money expression of his allowance was smaller and the money expression of the price of the necessaries was also commensurately smaller. Whenever a revolt of the gentiles is successful, the resulting improvement is more apparent than real, and only of comparatively short duration. Under the morgan's pressure, the weight of values going to the worker is constantly diminishing to

a lower level. I say weight of values, and by that I do not mean the money expressions. The latter have been tending upward all the time throughout history, but that does not mean that values are thereby to the same extent permanently affected. When the money expression of values in everything is doubled, the volume of values and their relationship will be as they were before the money expressions were doubled. Money is the only present medium of an expression of value. When two dollars will buy only as much as one dollar formerly bought, then the two dollars do not in reality, represent any more value than the one dollar did formerly. If the name of a pint be changed to "quart" without changing the volume it could only serve to confuse. So too if the twelve ounces in a pint were called fifteen ounces or ten ounces. It is merely changing names and designations.

The goods handed back to the worker by the morgan through the intricacies of his trade are given back to the workers at their true value. The change of price is only a change in the name of the amount. Value is about the only thing that comes out true in the whole of the morgan's regime of chaos.

The worker is required to work and does work for a wage representing just enough for him to live on, propagate and rear his kind. The necessaries of his life are handed to him at a price that takes from him all of the tags or money that represents his wages. If the expression of his tags or money be high, as in newly developing regions, then the price, or value expression of the things he needs tends to be high, and if the value expression of the things he needs be low, then the expression of wages in tags or money will also tend to the same point. The reality of these things will then not sound so big although in truth the size of the reality has not changed.

The confusion in the popular mind on this question as to where the filching occurs, whether at the point of consumption or in production, is because our minds get twisted in passing through the morgan's labyrinth of trade. To use a nautical expression, we lose our bearings, we lose the points of the compass, and the question always is: Where did we get twisted? The market price is the true money expression of value in the things we need. This also is in full accord with the morgan's theory of value, namely, that the value of a thing is whatever you can get for it. He gets all of the worker's labor power for the means of life he sells to him, the needs of the worker take all of his wages to get them. It is the last expression in money-terms of the value measure of things. Money terms are however merely a medium of expression; just as the money tags are not necessarily of value in themselves but supply the names of the measure of value as well as constitute a medium of exchange. The filching of the worker takes place in the process of production. He is always producing more than he gets. When his tag-money does not procure enough for him to live upon, he knows that his only remedy under present conditions is to get more tag-money. Therefore the natural thing for him to do, in the morgan's state, is to strike for more tag-money. Whenever and wherever the worker needs less tag-money to get the necessaries of his life, the amount of his tag-money declines toward the level of the amount that he needs. This does not mean that his real wages are thereby favorably affected except in the transition periods. His real wages consists of the purchasing power of his pay envelope.

Though the cost of living determines the wages of the worker, it must be borne in mind that the amount of the worker's wages does not determine the price of the

commodity. Wages are sometimes referred to in haggling over the prices of commodities, but the fact is that commodities are always sold for as much as they will bring. It is therefore untrue that a raise in wages drives up the price of commodities. It is, on the contrary, the rise in the price of commodities that drives the worker to demand more wages. The morgan continues to drive up the price of commodities and uses the raise in wages as a specious justification.

Those who have an income fixed by law or by long-term contracts find it impossible to maintain their standard of living in the face of the rise in the price of commodities. Such are public servants, pensioners and those who live on interest from bonds, mortgages and such investments.

It is not of the slightest concern to me whether or not any individual or set of individuals intended or intends the results that we witness on every hand. It is enough to know that such are the results produced by the morgan machinery of society and state. It is unnecessary and answers no purpose whatever to attach any moral turpitude. It is the underlying social and economic forces that are important and determining.

Production of value forms but a slight part of merchandising. The great end and aim of the morgan is to carry through to its conclusion the great game of filching the surplus value. When the manufactured articles leaves the factory at a stated money valuation, that valuation is only tentative and to serve the morgan's purpose of trade. It is not for the worker, or to measure the amount of the value that he gets. It is not the measure at which value reaches the worker as consumer. The product is still under the control of the morgan to trade and juggle with for the purpose of getting a realization of the surplus value. The necessary carrying,

handling and distributing to the worker as consumer of the product, of course, adds a little more value to the product, but the value so added, from the morgan's point of view is only incidental, and to him is not the inducement. The statements of the volume of value in the product at the factory gate must therefore be increased by from 400 to 500 per cent and over, before the true value-expression of the goods as they enter the hands of the worker, as consumer, can be arrived at. All of the value contained in the goods when finally sold is created by the chain of workers, including the worker employed by the morgan merchant in his retail store. The worker gets his meager portion of this value before the final statement of it in the price at the final "sale." He gets it in wages amounting on an average to not more than one-fifth of the value produced, and he gets the wages in confusing coin.

A very potent factor in producing the mental confusion in the search for the place where the exploitation takes place, is the morgan's false theories with which he dominates men's minds. The morgan will not consider his profit as being identical with the surplus-value produced by labor. He scouts the idea that it is unpaid for surplus labor. He forgets the process of production in his process of exchanging title, in his juggle. He is of the opinion that more value is produced by exchanging the value contained in one thing for the value contained in other things. He computes the rate of his profit upon his evaluation of the machinery, tools, buildings and raw material applied in the process of production. The morgan never thinks to compare the amount of his profits with the amount of value that the worker gets out of the product of his work.

The morgan assumes, as of course, that the matter of his getting the tools, buildings and raw material in

exchange for a larger or smaller consideration, his astuteness in dealing, bargaining and cheating, and his and his salesmen's ability to dispose of the finished product at more or less favorable terms of exchange, enters into the production of profit. It never once enters the head of the morgan that his dealing and dickering as a buyer, as also his hawking and peddling of the free goods of nature containing and bearing the value created and imparted by labor in most part unpaid for, and his great exercise of talent to get in exchange, the greatest possible amount of other quantities of the free goods of nature, likewise containing and bearing value created and imparted by still more labor, also in most part unpaid for is all far afield, and does not in the slighest degree enter into the production of value. All of his haggling relates only to title, it does not otherwise relate to values in themselves. It has only to do with the mine and the thine of the loot.

The morgan never once thinks that he could just as well be in a weighted sack at the bottom of the ocean for all that he ever produces of the values that he asserts ownership over. It never dawns upon him that he merely operates, gambler fashion, with the values of others.

So far as society is concerned, value comes into existence so soon as one person makes a usefulness available to another by placing it at his personal service; as soon as goods are placed in the hands of users, and not before. Therefore, aside from the producer, who can be the owner because the creator, the only person who can be the true and natural owner of value is the user, in other words, the consumer.

Outside of the comparatively small amount that the morgan himself consumes he does not in a true sense become the owner of any of the values that he wields dominion over. The principles involved in this state-

ment were fully discussed in the chapter on property. The morgan cannot by any means make personal use of all the products that he controls, therefore as to him they do not constitute value at all. So far as deriving any personal use and benefit is concerned, the morgan might just as well own warehouses full of provisions on the planet of Mars. One morgan might just as well sell that sort of property to another, and juggle with it to his heart's content and until his profits in that business fill up, the credit side of his ledger. Yet there will not have been enough value produced or effected by the trade to feed a flea. But no harm will have been done in that case either. The Martians are protected by the space that lies between the morgan's armies and navies and their planet, and therefore will continue enjoying the meat and potatoes in those warehouses without ever troubling themselves about the morgan's speculative ownership. But on this planet things are quite different. Though the morgan could just as well be on the other planet, his church and his state entrench him in his claim to control the things he cannot own. His church preaches and his state clubs us all into a submission to his claims and terms.

Though the morgan by virtue of his domination over the resources of nature assumes like dominion over all of the results of the surplus expenditure of labor power, he is not the user of any but the very small part that he consumes personally. He is not and cannot in the nature of things be the owner of the residue. The product does not enter into any consideration of the social relations or of human society, until it is delivered by the last worker to the consumer and until then does not constitute value. Therefore under the morgan's dominion and possession it is not and cannot be value, save in a tentative sense only.

Here it is suggested that the reader recall in this connection what was said of the nature of value in the chapter devoted to that subject. It must be remembered that three things must accrue and concur, namely, human labor, usefulness and service to another as the user. These three necessary elements do not accrue or concur until the result of human labor is handed over to the user, that is, to the consumer. When the worker hands the result of his work over to the morgan, the latter does not take it to use, but to control it so as to get power over an equivalent of its value from the user. The final condition necessary to constitute value, service to the user, has not yet been achieved. The embodied efforts of the worker, crystalized labor, as it were, has not yet become value in the economic sense. The value is still inchoate. Though it may be nearer a culmination into accrued value than coal at the bottom of the sea or goods on another planet, and notwithstanding the potentialities, the difference in the situation is one of degree merely. In principle all of this embodied or crystalized labor, this inchoate value, might as well be at the bottom of the sea or on another planet. The morgan is not the user of that which he is holding. What can the possible difference be if the morgan has it on another planet or in his warehouse or on the wharf with his property mark on it, so long as he has the power to deny us all the right to use it. It surely cannot be of the slightest difference to the would be user. He is kept out of the use of it until the morgan has juggled with it as wholesaler and then juggled with it as retailer. The morgan has it within his power to destroy the goods. He holds them for the greatest price he can get for them. The greatest price the worker can pay is the sum of his allowance from the morgan for expended labor power. Now it does not and cannot make a particle of difference

if this allowance is expressed in copper pennies, in paper money or in gold dollars, in checks on the bank or in store orders, except that if in one form, the worker may run around a little more than if in another form and imagine himself freer.

When the morgan gives the medium or tag-money to the worker, it is his intention to give to the worker his living wage, the amount necessary for him to have in order to live, replenish his labor power and continue his kind. That is the measure under the morgan's wage system, and that is where it always gravitates to. We lose sight of the drift, direction and goal because our minds are confused by the psychological twists that we get at every turn in the maze. We are beguiled by imposing store fronts, showy displays, costly wastefulness, deceiving advertisements, false puffing, false naming, false measuring, false grading and false weighing of goods, the employment of swarms of miserably underpaid, mostly unnecessary, clerks, drawn from the overstocked labor market and paraded in a show of pseudo-prosperity. All of this is done to make the grand impression. Clerks, trained in alluring smirks and bargain-counter buffoonery, keep the mind in such a whirl that it cannot grasp or appreciate that it makes no difference how many profit-taking morgans and morgan contrivances there may seem to be or how many different morgan faces are presented, so far as the producer and the rest of mankind is concerned it is all one morgan, pursuing ever the same interest, actuated by the same motive—to get the surplus value for nothing. It is not a matter of persons. It is a play and conflict of interests. The interests of those who take without giving in return are always identical so far as the despoiled are concerned. Therefore it is perfectly fair, and conduces much to clear reasoning to treat all the mor-

gans as one morgan. It is all one system of society that he is operating. It is all just one profit-grinding mill. Society is all just one plant that belongs to the morgan, and is ruled by him.

Suppose the morgan when he "paid" the worker for one day gave him an order on the depot of distribution for two pounds of beef, two quarts of potatoes, two pound loaves of bread, a pound of sugar, a peck of coal, a half pound of butter, an ounce of salt, two ounces of coffee, six eggs, a yard of cotton cloth, a spool of thread, a quart of apples, a pound of soap, a quart of milk and a pint of beer; and suppose, for the purpose of this illustration that these articles constituted all of the worker's daily needs, to live, replenish his labor power, propagate and rear his kind. We should here have his wage expressed directly and in kind. If quality be also specified there would be no room or opportunity for deception or confusion of opinion as to the nature of the transaction. If these articles contained in value say one-fifth of the amount that the worker produced in a day, no one would find it in the least difficult to understand that the exploitation of the worker took place in the process of production.

It will be seen at once that the worker gives up to the morgan five times as much as he gets. Now if the morgan decided, for the sake of convenience, saving of labor in book-keeping, or for a show of liberality or of the worker's freedom, to give to the worker for each day of ten hours labor power expended, a piece of paper, or some copper or silver coin, calling it in the aggregate the sum of two dollars, and representing the same amount of value, namely the value produced by the expenditure of two hour's labor power, and if this sum of dollars gets for the worker at the morgan's store the same goods in quantity and quality that he got be-

fore, can any sane person say that by this piece of legerdemain the exploitation has been changed from the process of production to the point of consumption? The worker simply gets two units of value out of every ten that he produces. Whether he gets it in the very form that he produces it in, or gets it in store orders or gets it in copper pennies or silver coin or paper money, makes no difference in principle, leaving out of consideration any greater opportunity under one system than under another for cheating and befuddling.

The object and purpose of the morgan's wage system is to exact from the worker an expenditure of the greatest possible amount of labor power in the production of value, and to give to him in return as much only as he needs to live upon, replenish his labor power, propagate and rear his kind. The stuff that he gets, called money, is not in itself the value the worker gets. It is merely a medium. It is a general order on the store. But it is saturated with the vice of shiftiness. If, when the worker takes this morgan money of two dollars to the morgan store he, calls for the same above-enumerated necessaries, the store keeper figures up: "Beef, .70, potatoes .20, bread .20, sugar .10, coal .10, butter .20, salt .02, coffee .05, eggs .20, cotton cloth .10, thread .05, apples .05, soap .05, milk .08, beer .05, and says: "You are short fifteen cents," then the worker was simply despoiled as worker to the additional amount of value now represented by 15 cents, and he must go on short rations until the balance is restored. He received that much less than the amount of value that he produced in two hours. He was simply filched additionally of that amount in the process of production. The principle cannot be changed by saying that "beef has gone up."

Under the morgan system value is measured and

stated in terms of money. The evaluation is based upon the market price. That means that a thing is worth what you can get for it. The morgan fixes the price, or money equivalent, or money statement of the value contained in things at the end of the process of production, in his morganized society, namely, at the store where the user gets the product. The morgan there gets his statement of price and his evaluation of necessaries accepted as an expression. That is then the name of the measure, for the time being, of the value that the worker has produced. The name is in figures and the figures are always changing. The morgan is constantly striving to press down the amount consumed by the worker by raising the figures at the store; and the worker as constantly strives to keep up to the line of his needs by demanding a corresponding enhancement of the figures in his pay envelope. The morgan also sometimes reduces the amount in the pay envelope. So the worker may be hit from either side.

If the reader will bear in mind the elements of value and will hold fast to the analysis of production, he will have no difficulty in understanding that in our society the production of value begins with the taking of the raw material from nature, and does not cease until the goods are delivered into the hands of the consumer or user. All the accessories, contrivances and processes constitute one gigantic plant in which one worker does work that goes into the material furnished, which is then passed on to another worker for him to perform more work upon, that the process continues until the final product is delivered to the final consumer. Therefore no statement of the value of the product can be accepted or regarded as fixed or stable until the process is completed.

The difference between the amount that the aggre-

gated workers have produced in value, and the amount that they get is the amount of their exploitation. It makes no difference whether one morgan or a dozen intervene, or whether the exploitation be cast up in kind, or in money, the measure of the exploitation is just the same. The exploitation is of the workers as producers of value.

The whole scheme of exploitation may very well be likened to the Chinaman and the pelican. The pelican is a natural fisherman, and a most adept one at that. The Chinese capture this bird and place a ring around its neck fitting close enough to prevent the fish from passing down the pelican's throat. The pelican is tied to a rope long enough to allow of a sufficient area to operate in, and put to work. The Chinaman superintends the job, and takes care of the fish as fast as caught. The pelican's wages consists of the heads and entrails of the fish. He gets enough to keep him working and producing young pelicans so as to continue and possibly extend the business.

There can hardly be any doubt that the pelican is exploited as a worker. The exploitation is in the process of production. That which he produces is taken away from him by the man who has obtained the mastery over him and barred him out from a free access to the resources of nature. It certainly cannot make any difference if the Chinese master has a thousand pelicans with dozens of superintendents and foremen to see that things go right. Nor can it make any difference if the interim between the catching of the fish by the pelican and the getting of his rations of offal be occupied by the attention of only one, ten or a hundred Chinamen. What if these do strut around calling themselves independent business men of superior brains? That does not change the process or the effect.

Suppose the foreman that oversees the fishing operations keeps a time account of each pelican, and a paymaster comes around once a week and gives each pelican an envelope containing tags of metal or slips of paper with which the pelican has to go to any one of a number of places to get his allowance of fish heads and entrails. It cannot be of the slightest moment which Chinaman has the longest queue, whether it be the one that takes the fish out of the pelican's mouth, or the one that hands out the pelican's pay envelope or the one that gives to the pelican his final reward of fish heads and entrails. Nor does it matter what sort of book-keeping the Chinamen have, or if they have any. Nor does it matter which individual Chinaman is a creditor and which a debtor or what the mine or the thine of it all is. No juggle or shuffle or slight-of-hand can change the nature of the business or make it anything else than a chain of connecting, interdependent, constituent doings that together form one inseparable transaction.

Legerdemain has and may for some time yet continue to have the power to confuse the mind, but it can not change the inherent nature of the process or its results. The whole purpose and the only purpose of the Chinaman in having the pelican to work for him is to get the fish that the pelican catches and is not permitted to eat. The exploitation of the pelican is therefore in the process of production. Suppose the astute Chinaman also undertakes to gouge from the pelican some of his needed allowance of fish heads and entrails, tells him that the price of these things has gone up; and suppose the pelicans all go on strike for more tags and slips of paper in their pay envelopes. Then suppose the Chinese boss, called employer, tries to divide the responsibility for things being in such a condition and

tells the pelicans that he is not to blame for the high cost of living, and that it must be that they are living too high.

Suppose the boss tells the striking pelicans that they are a stupid lot or anarchists, that they should take themselves away and go some where else, that he forbids them from fishing in these waters because these waters are his private property. If the boss and the master or any number of them in this way own all the waters, because they can club all of the pelicans away from them, then it becomes merely a question of endurance. It will be a question of how long the master can feel content to do without the fish, and how long the pelicans can do without tags for fish heads and entrails.

All of the vapid talk of business and business enterprise serves and can serve only one end, and that is to cover up and hide the process of exploitation.

CHAPTER XII.

VALUE, PRICE AND PROFIT.

We have seen that all value is the result of the expenditure of labor power; that the cost of the labor power to the morgan is the cost of producing that labor power, namely, the amount of value and free goods of nature necessary to keep the worker in working condition and to support his family; that if the worker produces enough value in two hours to equal the dole called wages that he gets, all the rest that he produces in the remaining eight hours is surplus value and goes to the morgan as profits. That is equally true when through the organization and division of labor and the introduction of machinery and power, the productivity of human effort is increased. All of the enhanced surplus goes to the morgan. Every time the machines are speeded up a little more, the morgan gets the benefit of the resulting increase in production. When, by improved methods and machinery, we shall arrive at that stage where the worker in one hour in each day produces enough goods to provide for his and his family's keep, the only real benefit of the improvement under present economic conditions will be the benefit that the morgan gets in the shape of a still further enhancement of his pile of surplus value.

The tangible, material thing in the form presented to us after labor power has been expended upon it, is merely the container and vehicle of the value conveyed. The creation of value begins with the first human effort bringing forth the raw material. Every succeeding human act performed upon that material to make it serve,

or more available to, some human want adds more value even though that value be inchoate, or unrealized. This continues until the material in its final form is delivered to the ultimate consumer. When the consumer receives the article, he pays or obligates himself to pay a stipulated price for it, except in case of gift, when the giver pays or binds himself to pay the price. This price at the end of an article's productive history is the agreed valuation, the expression in money terms of the quantity of value contained in the article. This expression of the volume of value in terms of money is entirely artificial, as money itself is entirely artificial.

A true and natural expression and measure of value would be based upon labor time. The amount of labor time expended in producing an article, from the first raw material until delivered to the consumer, is the true value of that article. An equivalent of labor time is therefore the true and natural price. It alone can express value truly. Whether this equivalent be rendered directly by the expenditure of the measured amount of labor time, or be paid in the form of some other article containing and conveying a like quantity of value resulting from the like amount of expended labor power, cannot make any difference in principle.

The natural measure and basis of exchange is labor time for labor time. The difference between the value produced by skilled labor time and unskilled labor time does not militate against this just and natural principle. The difference is easily equated on the basis of simple unskilled labor time. Add to the time expended by the skilled worker a computed amount of additional time for the time expended in learning his trade, or acquiring his skill, and the much talked of difference between skilled labor and simple labor vanishes at once. We have to pay the boss plumber for the time con-

sumed by the journeyman in the simple labor of coming to and returning from his job, as well as for the time consumed in skilled labor on the job. Learning a trade or a profession is the same in principle as going to the job. The acquiring of the skill is only the preliminary labor, the same as the making of the tool is preliminary labor. Only in the making of the tool the labor is divided under modern methods.

Under our present system of society, the value in each article containing value, as it is finally delivered to the consumer is expressed in and measured by an artificial medium of exchange called money. The conventional economists say that money is gold, either in tangible form or in symbolical media, such as bills, bank notes, silver and copper coin. For the present, I will only say as to that assertion, that gold is also a commodity like all other subjects of barter and sale, and that it would not have become money unless it had required human effort to get it out of the ground; and that all of the value that gold contains is the result of the expenditure of human labor power, just as in other articles.

The computation of the price of an article delivered in sale to the consumer is not based upon any consideration of the amount of value theretofore imparted to it. It is based entirely upon the business principle of getting as much in return for it as the buyer can be induced to pay. The aggregate of the amounts allowed to the series of workers for the values they produce is much less than the price paid by the consumer for the sum of their values. One or the other is false. Both cannot be rendered true by juggling the measure into money terms and forms.

For the purpose of obtaining a much larger price from the consumer than was allowed to the worker for

producing the value, a large portion of the value finally realized is expended in advance of the final sale, in puffing, advertising and displaying the goods, and in a parade of business, all to impress consumers with an inflated idea of the desirability of the articles on sale and to induce the consumer to buy wastefully, to swell the profits. All of this expenditure to attract customers, pulling them from one store to another, lying to them, deceiving and befuddling them with bargain counter sales, etc., is nothing but waste.

The following table of units will show how the difference between the prices paid to the workers for the values they produce and the prices paid by the workers as consumer of these same values is made up, showing how amounts are gotten by the many-visaged personage, the morgan, for an article sold at a valuation finally agreed upon in the morgan's market under the morgan's domination:

	Raw M.		—Manufacture— Stage 1		Stage 2		Transportation		Merchandizing.		Total
Worker	8	+	40	+	40	+	20	+	40	=	148
Ground Rent	7	+	35	+	35	+	15	+	50	=	142
Int. on Loans	5	+	25	+	25	+	15	+	25	=	95
Profit	10	+	60	+	60	+	30	+	75	=	235
Advertising	1	+	2	+	3	+	2	+	50	=	58
Waste Labor	2	+	10	+	15	+	15	+	200	=	242
Selling price in units											920
Aggregate allowance to worker											148
Aggregate of exploitation											772

There is no claim that these figures are accurate or even relatively correct. No reliable figures are available. These figures are my own, merely speculative and without authority. They are given only to show the operation of the system and the general relative results.

Nine hundred and twenty units is the price of the article sold. That is what it is prized at by the seller

and buyer. They agree upon that. It cannot affect the result to express this evaluation in money. Money is worth only what it will buy, and owing to its constant fluctuation in buying power, its service in the present discussion cannot be satisfactory. If we should say that the 920 units are equivalent to $920.00 or $92.00 or $9.20, it could make no difference whatsoever, for then the amount the worker gets, namely, 148 units, would correspond, and would be either $148.00 or $14.80 or $1.48.

The possible variation in figures expressing value in terms of money are so many and multifarious as to confuse the understanding, owing to the constant fluctuation of the purchasing power of money under the present haphazard fixing of prices.

This subject of money and its purchasing qualities and powers will be gone into more deeply in a subsequent chapter on money.

It is fair to assume, and we must assume that the admeasurement of 920 units, agreed to by the morgan as the seller, in fact imposed upon us and enforced by him in the operation of his system, and accepted by the gentile as buyer, is a fair and just evaluation and average rate. The morgan at any rate cannot deny its fairness since he and his system have imposed and established it. Furthermore it serves only as an ultimate term and designation of the quantity of the value. It is only a name and one name or designation is as good as another here. If it operated at all to establish an unfair rate under the morgan standard the purchaser could not continue buying according to it. He might do so once or twice, but he could not be doing so all of the time. A disturbance would surely result. The service or sustenance in the commodity must balance the amount of value contained in the designation 920 units.

Cheating, of course, cannot be considered as affecting the general proposition.

Here we have 148 units going to the gentile of the first order for the 920 units that he produced. The plan and method of the division and the waste of the spoils, are of not the slightest consequence to him. It is sufficient to know that he is exploited and that his exploitation is a natural result of his expropriation.

Nor would it shed any different light on the subject if we could by any sort of calculation determine how much tribute for the free goods of nature is exacted by the morgan in addition to the 772 units, purloined from the gentile's labor. The morgan has grabbed and mixed all and the whole of everything, so that such a computation cannot be made. He has produced a situation of confusion, himself, and he cannot claim the right to profit from his own wrongdoing.

The worker is an unwilling customer, driven into the morgan's market to buy his living. The means of that living amount to 148 units. The price at the time imposed by the morgan upon the gentile worker for those 148 units is 920 units. The gentile worker pays over the demanded 920 units in kind and in advance. He pays it in value-producing labor power. He then gets his return of 148 units in tickets or orders on the supply magazine to replenish his labor power and life. These tickets, or orders, are in a form called money. He is taught to accept readily the statement that this disguised dole represents all that his work is worth. When he comes to exchange this dole for true values and free goods of nature again, to live upon, he finds that he does not receive anything near like the quantity that he gave. Instead of getting 920 units, he gets only 148 units. That is all, and that was all that his money wages ever in truth, represented. The conventional

economist then tells him in mock-wisdom that the trouble is in the high cost of living. The morgan brutally tells him the trouble is in the cost of his high living. These two statements only vary in this: The first is the result of an immature and half-baked theory; the second is simply a brutal rebuff, calculated to depress and humiliate. They are equally false.

For the purpose of furnishing concrete illustrations to interpret and illustrate a wide range of facts and experiences, let us indulge the following consideration: Under a merchandising system of distribution there could be two natural computations of the prices of goods in exchange or sale. Each, however, differs from the other. They begin at the opposite ends of the process.

The one computation would give each producer of value the full equivalent of the number of units of labor performed by him, weighted on the basis of simple labor, and thus arrive at the price of the completed article in the consumer's hands, by multiplying the total of the units of simple labor by the standard measure of value of each unit. Here the standard for measuring value would be established at the beginning of the process of production, and would be advanced by multiplication.

The other computation would be to begin with the standard of value fixed upon the goods at their price in the hands of the consumer, and then proceed by a division of this aggregate final value, expressed by the selling price, giving to each worker the proportion of the realized price that the amount of labor units performed by him bears to the whole.

Either computation, with the elimination of all waste incidental to the profit-taking system, would insure to each worker the full equivalent of the value produced by his labor. It would not be of any consequence how we

named or designated the unit of value or labor power under the one method, or how we named or designated the price that designates the aggregate realized value contained in the article in the hands of the final consumer under the second method. The whole problem would be reduced to an arithmetical basis, either way.

It is not urged that such a system would be practicable under the morgan's system of society. It is quite likely that it would be wholly impracticable under the present regime. No system is possible now that excludes profit taking. The morgan thrives on the lack of all system. He is consistent in pursuing one principle in his business and that is to beat the workers down to an acceptance of the lowest allowance for their labor power so that he might have the largest possible amount of surplus value.

The labyrinth of the morgan's business always has the same beginning and the same ending. It begins with the expropriation of all the gentiles, continues through its mazes in exploitation of the gentiles of the first order and emerges in unearned profits.

The truth of the matter is that a robbery occurs in the process of production. The gentile of the first order, and wage worker, is in fact robbed in two capacities. First, he, in common with the other gentiles who do not work for wages, but manage by hook or by crook to get their livelihood in the exercise of some art or profession, or in a little struggling business, or as protectors of the morgan, in the capacity of his police, intellectual or otherwise, are robbed as gentiles. All these are expropriated of their proportion of the free goods of nature, barred out from their share of nature's bounty, deprived of a participation in the wealth resulting from the learning of and the improvements wrought by our ancestors jointly and in common. Then the gentile of the first

order is also robbed in the capacity of wage worker. He is exploited by the morgan who claims to be furnishing him with an opportunity to buy his livelihood. As compensation for that pretended kindness, the morgan takes all that the gentile worker produces, over and above the bare amount necessary to buy that livelihood and the livelihood of his wife and children. It is like the dishonest tavern keeper who gets a man drunk and then robs him by keeping the change of big bills as the man makes further purchases.

The old Dutch settlers in this country are given much credit in our school histories for their honesty in treating with the Indians. It was not honesty at all. It was simply craft and business cunning. The Dutch bought Manhattan Island from the Indians for about what is called twenty-eight dollars worth of cheap tinsel and jewelry. The Indian had not the slightest idea of business. Neither Indian ethics nor Indian society had developed to that stage. The gewgaws carried the same sort of confusion to the Indian mind that the money juggle carries to the mind of the ordinary white gentile to-day.

We are told that the honest Dutch trader bought fur pelts from the Indians by weight. The Dutchman used two beamscales in his business, a hand scale and a foot scale. In using the hand scale, the Indian's bundle of furs was placed into one pan and the Dutchman's hand into the other. When the scales balanced, the Indian's furs were said to weigh and were acquitted for as one pound. The foot scales were used in the larger transactions. The Indian's load of furs was placed in the one pan of the scale and the standing Dutchman's foot in the other, and when these scales balanced, the load of furs was said to amount to four pounds, and was acquitted for accordingly. None of these Dutchmen were

lightweights. All payments were made in store goods. The Indian never knew how much the measure of the value in any of his furs was. The measure of their ultimate value was arrived at when the furs were sold to the final consumer. But the Indian was none the less robbed at the point of production. As another illustration: Johnny said to Jimmy, "Let's play Sunday school." Jimmy said, "All right, How do you play it?" Says Johnny, "You give me ten cents every Sunday and when Christmas comes around I will give you a pound of Sunady school candy." Jimmy does not know what the candy is worth, measured in money terms. The change from one medium of stating the measure of value to another medium produces confusion in Jimmy's mind. He falls in and is robbed at the times when he is handing his dimes over to Johnny at the rate of about 2600 per cent.

All of the value that the worker produces in payment for his livelihood is taken from him by the morgan as fast as it is produced. Based upon the fixation of the amount of that value by the price the goods containing it are subsequently sold for, the worker receives back a small fraction of the value he produces, done up in a form called money. That money just as completely and effectually disguises the volume of the value it is the means of giving back, as did the glass beads disguise the amount of value that the Dutch trader gave to the Indian, and as did the pound of Sunday school candy disguise the value that Johnny palmed off onto Jimmy.

Like the Indian hunter and like Jimmy, the worker is exploited in the handing over of the value to the morgan as he produces it in the expenditure of his labor power.

CHAPTER XIII.

AN ANALYSIS OF WAGES.

The word "wages" is most confusing. The morgan with the aid of his pseudo political-economists, has impressed the designation "wages" upon the living allowance purchased by the gentile of the first order in the manner already described in the preceding chapter. This allowance consists in part of a fraction of the portion of the free goods of nature that this gentile is entitled to before he performs any labor whatever, and in part of a fraction of the value that he produces by the expenditure of his labor power.

It would hardly be worth while, ordinarily, to quarrel about a name. But it has been persistently postulated that wages constitute the agreed price paid for purchased labor. This proposition cannot be critically examined and refuted too often. This misconception must be cleared away.

The proposition is based upon three falsities. First, it assumes the existence of a contract when there is no contract and cannot be any contract. Secondly, it assumes that something is paid by the morgan to the working gentile, which is untrue. Thirdly, it assumes that the producing gentile gets that something for his labor, which is also untrue. The truth is that the gentiles under coercion give up to the morgan all that the latter ever possesses.

Now as to the first falsity: No pretended contract relating to the subject matter between the morgan and the worker could of right create any obligation of the worker, for the simple reason that such contract is based

entirely upon a coercion of the worker by the morgan. The worker is not a free agent. The morgan has all of the worker's means of obtaining a livelihood within his exclusive control. The worker perforce must come to terms with the morgan, or get off the earth. Any form of contract forced by A upon B by reason of the power of A to shove B overboard to drown in the middle of the ocean is unconscionable and of no effect. It is no contract. To say that because individual instances can be cited of workers who were successful in resisting the morgan and making their livelihood, is merely to cite as the rule exceptions to the rule. This is a familiar trick of the morgan. It can also be said with equal force that men thrown overboard to drown in the middle of the ocean have reached the shore in safety. But this would not give a validity to the contract forced upon B by A. The great majority who have been thrown overboard in that way were drowned, and by far the greater majority of workers are unable to save themselves and families from starvation, or pauperization, or from great suffering, all of which are equally effective to make the contract unconscionable and void, and not worth any consideration whatsoever.

Though the morgan can drive the worker even to death, the exercise of a much less power is sufficient to render all claims under contracts obtained under such conditions invalid because unconscionable. If it is within his power to drive the worker into a situation endangering his life or his health or that of his wife or children, or subjecting him or his wife or children to danger of much privation and suffering, or even if by reason of his power and position he can drive the worker into a fear that any of these evils are likely to occur if he does not subject himself to the will of the morgan, then the morgan's claim of any contract expressed or implied en-

tered into by the worker or imputed to him, is unconscionable, and gives no right justly enforceable in favor of the morgan against the worker. A contract cannot be one-sided. If the worker is not under a contract then there is no contract resting upon the morgan either.

As to the second falsity: To say that anything vouchsafed to the worker is paid, would be to assume necessarily that there was a contract or a contractual obligation to pay. If we therefore say that when the morgan takes from the worker all that is produced by the latter, there is a contract to pay, the obligation must be to pay back all that was taken. There cannot be any assumption that it was to be anything less, for that would be to assume that the worker had become obligated to give all the surplus to the morgan, for which assumption there is no basis. The implied obligation of the morgan therefore would not be satisfied by only paying a part of it back. The retaining of any part by the morgan is without consideration. The claim of rightfulness in retaining such part on the basis of a contract is invalid. Such a contract is a nudum pactum or baseless obligation. There is no mutuality of obligation; it is entirely one-sided. The morgan is simply exacting a gratuity. Take the case of a plain unvarnished highwayman, who robs a traveler of a hundred dollars on the highway. If this gentleman of the road should throw a dollar back to his victim could that be called a payment?

The essential fact is that the morgan does not pay or give the worker anything. The truth is quite the reverse. The worker gives the morgan everything of value that he the morgan, as a morgan, ever possesses. The worker produces. The morgan takes, and then returns a modicum to the worker.

Suppose I erected a toll gate and made every passer-by hand over to me three-fourths of what he has with him

before he can pass on the road. Would I be paying him the one-fourth that he retains? What if he is grateful to me for not taking all, or admits anything you choose to prate or preach to him on the subject of honest thievery? What if he has been fooled into some belief by false prophets, preachers and teachers? In what way would the case be different if I added some rigmarole procedure, made him unload his all into my crib, and then measured out to him one-quarter? Or further, if you please, what difference would it make if—instead of measuring out to him the one-quarter, I gave him certain pieces of metal with figures and pictures on them and gave a set of names to these pieces of metal, told him that they constitute a more convenient medium of exchange, that other persons would take them in exchange for other things? What if I add to the confusion of thought by adding to these pieces of metal the generic name of "money"? The nature of the transaction is always the same, and no matter how many times I juggle the issue, it will always remain the same. My "brain" work will only have one purpose and that is to befuddle and deceive.

To sidetrack on to a claim that the morgan as tollgate owner is gathering his harvest for upkeeping the road is not to the point now before us. If, however, the thought cannot be separated from what I am now treating on, let us bear in mind that the keeping up of the road is used only as a means to an end,—that end is to exact the tribute.

It is incontrovertable that the morgan pays the worker nothing whatever. The case is quite the reverse. To say that the worker pays the morgan would be putting it too mildly, and would be falling short of the truth of the transaction. The morgan, as such, renders no service at all and gives nothing entitling him to take any of that which he does take. In other words, neither his brain nor the thing he calls capital does anything. It does

not help or participate in the production of anything, and it is not entitled to any compensation or to participate in any division.

The worker does not pay. He is held up. He simply stands and delivers everything he has to the morgan. His pockets are turned inside out, and he gratefully receives back from the morgan a niggardly allowance to prolong his life and propagate his species.

I have now to consider the third false proposition of the morgan's pseudo-economists, namely, that the allowance called wages is received by the worker for his labor. This also is as far from the truth as any claim can well be. They prate wisely of labor being a commodity thrown upon the market for sale, and that it is subject to the same rules of barter and sale that other commodities are subject to. They put it upon the same footing with pork and whiskey. A greater absurdity has never been uttered. Here, too, the self-sufficient complacency with which they view this eccentricity of their minds is astonishing.

When the morgan buys bacon he buys it by the pound and he pays for as many pounds of bacon as are delivered. When he wants to buy hog meat he does not have a porker brought to his house or workshop at seven o'clock in the morning and driven around the yard or shop until six o'clock in the evening, then open the gate and let the creature go. That, however, is the nature of the transaction when he claims to buy labor. The difference is that the living porker's presence and the right to drive the porker around cannot be made to produce surplus value. When the morgan "buys labor" he has the worker to come around and obey orders. He may have the worker to walk around and grunt like the porker if he wants to, or he may have him sit quiet all day, with his hands in his lap. Now suppose the morgan does that—

and sometimes on rare ocasions he does,—where is the labor that was bought? It is not. It cannot be said that it was wasted. That would be a misuse of terms. You cannot waste that which does not exist. A hard pressed morgan economist perhaps will assert that it was a waste of opportunity. That would be assuming that there was an opportunity, which would be unwarranted. He was brought around to subject himself to the will of the morgan and the morgan in the assumed case chooses to keep him in idleness. The morgan has had all that he bought. In such a case he will have bought the gentile's labor time and the sum paid for it will have come out of the morgan's pile, and not out of any value that was produced by the expenditure of the gentile's labor power.

Now the morgan, in the case cited, got all he bought. He buys the porker for his meat and does not care â fig for his life. What he claims and gets of the worker is the latter's power to work, his labor power, his mind, his ability, his loyalty, his skill and the cunning of his hand, all that goes to make up his life. The morgan cares nothing for the flesh and bones of the worker, except incidentally as it affects his power to work effectively.

The morgan takes the worker's labor power, i. e., his life, for a term. The transaction has a well defined purpose; that purpose is to have work done that produces surplus value.

Does the man in prison sell his labor power to his jailor for his rations? The labor power of this man in prison is consumed just as much during his incarceration, though he produces nothing, and he gets his dole to keep body and life together. The morgan never, and nobody else ever, buys labor. They never buy anything not is existence. A contract might be made to buy some non-existing thing, but that only amounts to mutual prom-

ises, A to buy and B to sell at a future time; but there is not and cannot be a sale until the thing sold is in existence. No labor ever existed at the time it was "bought." No labor ever existed at the beginning of the day's work. No labor ever existed at any time during a day's work. No labor ever existed at the close of a day's work. No labor ever existed at the time it was "paid" for. The trouble with the morgan's pseudo-economists is that in asserting that labor is a commodity they have—unwittingly, I may admit—slipped into fiction. The use of fiction has led them into absurdities and confusions; and, as invariably occurs, in considering the affairs of the morgan with the worker, the pseudo-economists always turn the absurdities and confusions of thought to account against the worker. It's a case of "presto, there you are, it's as clear as mud, and you are out."

The morgan who claims that he is buying labor, like the morgan who claims that he is buying love is simply drunk with arrogance. He and his pseudo-economists are concealing the truth of the transaction, whether intentionally or not. In the one case as in the other, he is simply buying a slave. He is buying a human life for a period of time. Whether the period is long or short, measured by the clock, the calendar or his own life, does not make any difference as to the principle.

In his arrogance the morgan often makes loud charges that he is not getting all that he bought. He does not want any pound of human flesh cut from the quivering body, for he cannot make it work in that form, and under present conventional ethics he is more used to eating pork. What he wants and what he gets by the transaction, miscalled purchase of labor, is the laborer's life, the living, throbbing, working life, the life that produces surplus value.

CHAPTER XIV.

THE MEASURE OF WAGES.

"A rose by any other name would smell as sweet." But though man had for an eternity claimed for the rose the attributes of bread and meat, the rose would still remain as unsubstantial as an article of nourishment. No one could ever successfully present a rose to an ox as an article of food. The ox would never accept it in lieu of a bale of hay. But the human mind with all its superiority and advantages over that of the lower animals, has its relative weaknesses. That property of the human mind which in many other respects is a source of strength is also in some respects a cause of weakness. The law of compensation holds good. The human mind has a greater proneness to yield to the power of suggestion than we are ordinarily willing to admit. In truth that power is to some minds well nigh irresistible.

Under the influence of suggestion, not the least of it contained in human language, man has assumed that as a matter of course and without question the idea of wages is identical with the principal of reward. Nothing was ever farther from the truth. Would any one consider the stale bread and water thrown to a prisoner locked within stone walls and steel bars a reward for not battering his brains out against the steel bars? Even if, by the power of constant suggestion, you should succeed in making the prisoner believe that his proper place is in prison; that restraint is a joy; that he is happier there than he could be anywhere else; that the tyrant who had him thrown into prison is a most kind and loving friend; that his incarceration was only for his own best interest;

that the jailor is a guardian angel and the turnkey also; that it would be wicked and sinful to find fault with his fare or his lodging, or to steal an extra piece of bread whilst the guard was not looking, and that it would be a mortal sin to kill the guard or jailor, no matter how insulting or cruel they might be; that it would be a sin to covet anything the guard or the jailer or the despot had, and if you made him believe his cell a palace, the affluvium of it the perfume of never fading roses, the stale bread, ambrosia, the foul drinking water a nectar; could anyone, notwithstanding the subjective and befuddled condition of the prisoner and the phantasmagoria obsessing his mind, could anyone say that the stale bread and water thrust into this prisoner's cell to keep him alive constitute a reward? If this daily ration is not a reward what is it then? It has all of the essentials and elements of that which is called wages. It is enough to keep the prisoner a prisoner. With less he would cease to be a prisoner. He would become desperate and make his escape by breaking the walls or the bars or picking the lock or by killing the guard or jailer; or he would commit suicide or die of starvation or disease resulting directly or indirctly from lack of nourishmnt. At all events, he would cease being a prisoner.

The allowance thrown to the common prisoner is measured by the amount required to keep him alive in the place where he is incarcerated. It is the amount needed to support him in his station in life. This is exactly the measure of the worker's wages.

A large portion of the dole called wages already belongs to the worker, without his doing any work for it. This is the case with all expropriated mankind, whom I have called the gentiles. The birds of the air, the horse, the ox, the antelope, the hare, the bear, the cat in the wilds, the fish in the sea, all have their allowance with-

out paying. They do not work for what they get, any more than simply to take it. Nature supplies all. The creatures in the wilds pay no rent, interest or profits to anyone. Theirs is the state of nature and not that of the morgan. What they consume is all free goods. Now, nature is not a whit less generous to man than it is to the antelope or the fish or any of its other creatures. For man her goods are also free, and nowhere can be found the slightest warrant or justification for saying that this is less so because a part of mankind, by its work, supplements the work of nature in the production of useful things. It is clear that every man is entitled to all that his work produces. But this does not mean that he can rightfully be clubbed away from his share of that which he did not produce but which nature produced for him without his conscious assistance. The affirmation of the first stated right does not mean and cannot legitimately be twisted ino meaning a negation of the other and earlier right. The preposterous argument of the morgan and his sycophants deducible from the wage system, in respect to the disposition of nature's free goods, is that because the worker applies himself to supplement the work of nature to increase and accelerate production, it is perfectly legitimate and ethical to rob him of his birthright.

All that I have said about the free goods of nature applies with equal force to the benefits and advantages that result from that vast accumulation of science and education that comes down from the common ancestors of modern man, beginning with the first applicaion to work, study, observation and experimentation, and which the worker, as gentile of the first order, in common with the rest of the gentiles, is denied the right to avail himself of for his own benefit, because the material and the implements upon which and with which to do so have all become the private property of the morgan.

The common heritage has been taken from the gentile by means of false morals and false laws. The morgan claims it as his private property. He maintains this claim by means of his church and his state, the church keeping the gentile in ignorance of his disinheritance and the state clubbing him away from the morgan's aforesaid private property. Then, as if to cap it all, the morgan mocks the gentiles by telling them through his mouthpieces, that it is their church and their state. He feels secure in the belief that perverted history will always be able to support his pretensions and that the gentile mind will never be permitted to understand that controlling and owning is in effect the same thing. What a beautiful dunce cap the gentile is wearing! It is not necessary to assert that the morgan was ever actuated by any design to bring about such a state of affairs or that he understands all or any of the detail workings of his church, state and society. It might even be conceded that he never designed, or intended and never knew and does not know or understand. His economic interests work that way and determine the trend and direction. That is quite sufficient.

The wage worker has been so much impressed with a sense of justness and righteousness of the laws and the ethics of his country and of the society that has been imposed upon him, the moral rules and precepts preached at him and taught to him, that he keeps well within the line of those laws and those moral rules and precepts, however false and misleading they be. It does not make a particle of difference whether this is because of a pure devotion or because of a fear of untoward consequences following any transgression of those laws and precepts. The effect is the same whether he fears the lash of the law, or shrinks from the thought of ignominy. Nor does it make a particle of difference if the effect on

his conduct be produced by an active and over-tender conscience, the congeries of sense and folly of his time, station and country. The schools, the churches, the press and the politicians, ever subservient to the morgan, all of them, are constantly doing all within their power to keep this conscience alive and tender.

The great mass of workers are workers as a result of compulsion, legal or moral. They are prisoners of toil, fully as much as the prisoner within stone walls and steel bars. That here and there a worker, finding himself ground down to the very point of despair and doubt as to whether his existence is worth while or not, throws all scruples to the wind and with that temporary extraordinary and almost superhuman strength and daring that sometimes come from sheer desperation, fights his way into another order or class, does not prove anything to the contrary. It, in fact, helps to make the rule so much stronger. For every time a worker breaks from the prison, the walls and bars are made stronger and more unbreakable for the others still in wage-bondage.

Where thievery is the game, the man that does not understand the game or because of scruples refuses to play it, must give way, and he is written down a fool, an incompetent and unfortunate. The man that plays at the game, though of mediocre intelligence, still, by stolidly playing on, may acquire a craft and cunning that will answer his purpose, and may even acclaim his the highest kind of intelligence. According to the pile of chips he rakes in the dolt is credited with superior brains and mentality.

Man may be held a prisoner without the aid of stone walls, steel bars, hand cuffs or shackles. Circumstances are just as effective and require fewer jailors. The power to exclude man from the things he must have, to drive him into the desert, as it were, makes him as much of a

prisoner as to lock him up, and relieves the jailor of the feeling of responsibility to keep the prisoner alive. To have the power of dictating to him the terms and conditions upon which he may have access to the things he must have in order to live, makes of him even more of a prisoner than to throw him into jail. The power embraces the power likewise to enslave the mind. The empty, seductive and deceptive right that is somtimes accorded the worker to choose as to which yoke he will bend his neck under carries with it the most powerful of false suggestions of freedom of contract. Would there be any real freedom of action given the prisoner by permitting him to choose which cell in a jail he shall be cast into when the rations and accommodations are the same for all the cells?

I said the prisoner in the cell must receive enough to keep him alive and meet his imperative wants in the position in society that he at the time occupies, namely, that of a prisoner, else he will break out of prison, kill his guard, kill himself or die for want of sustenance, or of such ailments as lack of nourishment produces or superinduces. The wage worker must have such an allowance to meet his imperative wants in the position in society that he likewise occupies. That is, he must have enough to feed, clothe and shelter himself, his wife and children and supply the things absolutely necessary to appear and keep himself and family as members of society. Whenever he gets more than that in any branch of industry, it will be because of a shortage of the supply of workers in that branch of work, and it will only be a temporary advantage. To the extent that the allowance to a worker in his line of work is greater than in other branches of labor, will other workers be attracted to that kind of work, until the supply meets and exceeds the demand, and consequently through the competition of those seek-

ing jobs, the allowance will gravitate to its normal level under the wage system. Furthermore, to the extent that that allowance is greater will inventive genius be stimulated to divide and subdivide the work and to introduce labor saving tools, devices, and machines to render the work more productive and thereby reduce the demand for workers, thus bringing about the same results as would be brought about by an increase in the number of workers applying for employment. Thus again we see that the much extolled "law" of supply and demand is entirely subject to other forces and influences and therefore is no law at all. If the worker gets less than he must have to meet his needs, he will make extraordinary efforts to break away from that branch of employment, some succeeding, reducing the supply of workers in that line, or he will be unable to maintain the required health strength and spirit, so lessening the amount of his work. Fewer new workers or apprentices will seek to enter that field of labor. The worker in such lines of employment will succeed in raising fewer children, the young men will refrain from getting married. All of the forces and influences of repulsion will work against the morgan's pressure, called the "law" of supply and demand. Thus the influence will be to reduce the supply of labor in the unfavorable occupations, and, other things being equal, the allowance of the worker called wages will resume its normal level on the line of a bare living.

The more abject and defenseless the worker, and the more easily he can be replaced, the more easily will the morgan be able to keep his allowance down at the lowest living line. This is not because of any "law" of supply and demand, but because the pressure on the worker for self preservation drives him to accept terms to get a little of nature's life-giving and life-preserving goods that

the morgan wields domain over and of which there is an abundant supply, both actually and potentially.

When the Roman army was sending into Italy and Sicily a continuous stream of slaves, the morgan drove his slaves to work in the fields as naked as they were born, fed them on the very cheapest of food, consisting principally of nuts and garlic, and often not sufficient of that; housed them in the most miserable of hovels, often corralled them under the open sky, without the semblance of bed, clothing or furniture. If the slave became sick, he was left to die without medical care or attendance. Often the sick were given extra beatings for being sick. It was cheaper to get fresh slaves than to care for them. To house them, clothe them and feed them with a view to keeping them well and comfortable was too expensive, from the point of view of the morgan's economic interest. It reduced the profit on the slave's work, it cut down the amount of surplus value that the slave produced. I was more profitable to let the sick slave die, and supply his place with a new captive.

Negro slaves in our southern states received much better treatment because the supply by conquest had been shut off by national law, and it cost money to breed and raise them. Therefore, the same material interest which in ancient Rome led to the most atrocious treatment of the slaves because it was cheapest and most profitable, led in our country to the exercise of some care and solicitude for the slave's well being and comfort. The "missus" herself would often sit up nights as nurse, or brave the storm, to save the life of a thousand-dollar "nigger." The negro slave in the south received a sufficiency of wholesome food, necessary clothing and housing, furniture and household utensils. When sick he received medical care and attendance. His station in life was that

of an American negro slave, and his living was of that standard.

When it comes to the worker dubbed free, we have again the economic interest of the morgan determining the mental attitude of the morgan toward him. It is not of the slightest material interest to the morgan whether the worker is sufficiently fed, clothed or housed, or whether he is in good physical health, or whether his limbs or body are torn and broken or not, so long as he works and produces the requisite surplus value. The morgan does not even honor the worker by hating him. He hates only the agitator and him only because he threatens his riches and his regime. With the morgan, aggrandisement is a callous fanaticism, a sheer indifference to humane pretences. All the morgan wants of the worker are long and productive work days, with the lowest possible amount allowed the worker as wages.

That which is called wages is not compensation for labor or for labor power expended. It is merely a dole of nature's free goods and of the value created and perforce allowed the worker for his upkeep. It is to get his labor power at the bare cost of its production. It is not based upon contract. It is pretended to be based on contract. But the claim is as false as false can be. The whole wage system rests entirely upon force and fraud. The forms and formalities of contract are nothing but forms and deceiving formalities. This dole, called wages, is measured and estimated by the same standard that the daily rations given the prisoner in jail is measured and estimated by. The question never is: How much did the worker produce? It always is: How much must be given him to live on, of the coarsest and commonest that will maintain him as a worker? That is all he is worth, that is all he can get, that is what you can get him for in the open market where he is compelled to compete for a

living, because he has been barred out from his heritage.

Custom sets the standard of morality. Therefore the living dole the wage worker gets is called the fair wage. The amount the worker needs is made the bone of contention, the subject of many long and learned disquisitions as to how many ounces of wheat and how many ounces of chaff should slip into a worker's alimentary canal to keep him in working condition.

Reduced to its final analysis, the wages of the wage worker, the allowance of the chattel slave and the rations of the prisoner in jail, are all measured according to the same principle and standard.

CHAPTER XV.

THE STRUGGLE OVER WAGES.

I stated that the amount that must naturally be allowed to the worker is measured by the amount that he needs to live, replenish his labor power and reproduce his kind. Of course, I am speaking of the average worker in each calling. This amount varies with the different occupations and it varies with locality and also with time. If there were no change in the needs of the worker or the rapacity of the morgan the state of constant industrial war or preparation for war that we witness would not be. The amount of the allowance would gravitate to its normal level and remain there.

One of the secret and potential causes, even if a remote cause, of the struggle over the amount of the allowance is the school house. The lower the degree of the worker's education, the less he needs to live upon, the less leisure he needs to give to social duties, studies, reflections or recreation, in a word, the more hours he can work in a day. The illiterate worker does not want newspapers, or books or anything they suggest or create a longing for, either for himself or family. The coarsest clothing will do for him because he does not know of anything better. The most uncomfortable and unsanitary house satisfies him, first, because he does not know anything better for himself, because he is there during a very small part of his time outside of his sleeping time—for he works many hours a day. The only entertainment he craves is that of the saloon. His life is a humdrum of toil. There is an absence of anything attractive or refining in his home. His lack of education prevents him

from enjoying anything better even if it were offered him. The craving for as much of a contrast as can be gotten and gotten quickly, away from his drudgery, proves him still very much of a human being. There is but one course for him, and that leads to the saloon. There he spends of that which he and his family need so sorely to purchase that which he needs most, namely, a sharp contrast and complete diversion of mind. His very beastliness proves that he feels the need of better conditions.

With the school house there gradually comes a transformation. The worker begins to read. And from the never-ceasing torrent of scandal and sensationalism there adheres to his skin now and then small particles of new things. His appetite for them increases.

The hopes and aspirations of the worker to achieve a better and higher life for himself and family are seized upon by the morgan and utilized as an additional instrument by which to goad the worker on to still greater efforts and a greater productiveness of value which swells still further the volume of surplus values. The morgan's agent comes around with linoleum for the kitchen floor. Consideration for self and family move the worker to pinch a little and buy linoleum. The agent also has rugs and carpets. In time these things are gotten in the same way. Now these things are all made in the morgan's factory, and as the morgan likes to rake in large quantities of surplus value, he, or his sales agent, has many clever arguments and persuasions to put forth to the worker to buy, to beautify his home and to make it more comfortable for his wife and children and a little more attractive for himself.

The morgan's factory also turns out window shades and lace curtains, and chromoes in large quantities. All of these goods the morgan pushes the sale of. It is

business. The worker who does not buy them is ashamed to meet the worker that does buy them. The morgan's business booms. These things become a necessity. They become as necessary as bread. Great streams of additional surplus value flow into the coffers of the morgan as a result of the manufacture and sale of these new necessaries of life. Good business is the result and great prosperity—but not for the worker.

By the operation of natural law, like the law of gravitation, all of the additional wealth and prosperity flows into the capacious receptacle of the morgan. The law that measures the prisoner's rations also measures the worker's allowance. It is a hard law, and like hardened arteries stubbornly resists the flow of any greater volume to the worker to meet his new and imperative wants. The worker demands a readjustment, claims he does not get enough to live on. The morgan is incensed and indignant at the insolence of asking for more. The rupture leads to a strike. The morgan is complacent in his claim of being in the right and now charges that the worker's trouble comes from high living. He scours the country for other workers who have not yet the disease of high living, workers whom he would not have taken on before the strike, and with their servile help he tries to break the strike. Sometimes the striking worker wins, sometimes the morgan wins. But the victory of neither the morgan nor of the worker is ever permanent. The same influence keeps still at work. The morgan himself continues to have his agents push the things turned out by his mills and that whet the appetite for higher living, and it is only a question of time that the former strike breakers are driven by the same spur of necessity. They also strike. The morgan is extremely annoyed. His views on good citizenship and morals are dictated by his cash account and his idea of liberty is the child of his insa-

tiable appetite for exploitation. He sincerely thinks the world will be submerged in wickedness if any limitations be placed upon his divine right of exploitation. The wreck of matter and crush of worlds will be upon us if "our workingmen" be not held within the restraints of "reason." In such a holy cause everything is justifiable. Police, militia, injunctions are appealed to, and become so familiar as to lose their terror.

The worker when the spur of necessity urges him to strike, thinks, if he does not say, "to hell with the police, militia and injunctions." In America, the morgan used to send his agents into other countries and bring in hordes of illiterate and servile minded, who did not know anything about even a separate room for a kitchen, to say nothing of linoleum, rugs, carpets, curtains, books and newspapers. But the worker has a vote and he begins the long, wearisome and painful task of calling on the candidates for legislative office year after year, and as in course of time the drop of water wears the stone, there emits from the halls of legislation with painful labor, and at long intervals, statute after statute on the subject of foreign labor, prison labor, child labor, female labor, factory inspection, compulsory education, compensation for loss of life or limb, all of which the morgan calls vicious class legislation.

The morgan, however, keeps right on seeking new investments for his constantly accumulating pile of surplus values. He has piano factories built and gives orders to push the sale of pianos. Music teachers appear in ever increasing numbers, also agents. They urge the worker to buy a piano for his little daughter and to let her take music lessons. Still the surplus values keep on increasing in the morgan's vaults in geometrical proportions almost to the bursting.

The only remedy the morgan can think of is to make

more investments and still further increase and accelerate the flow of surplus to his coffers. His attention is directed to hundreds of various schemes. He acquires summer resorts, lake side, ocean side, mountain side and mountain top. He has new railroads built to them, new steamboat lines and trolley lines, some near, some far, some short, some long, so as to tempt every purse, even the leanest. He has his printing press to work night and day, spreading the most seductive inducements, the most glorious descriptions and the most potent reasons why every man, woman and child should take a holiday, a trip, a vacation, just across the river, or to the mountain, or to the lake, or up the lake, or to the sea shore or across the sea. The morgan backs and pushes everything continuously and with never abating zeal, to educate the taste of the worker to need, yes, to demand, these things. The morgan does not do this to benefit or elevate the worker. Far from it! He does it to get back the worker's living allowance. He does it to increase and accelerate the flow of surplus value to the bursting vaults of the morgan.

Incidentally some few of the workers get some benfit in the way of improved health and broader education, this appetite, however, growing all the time. In the meantime, strikes are increasing in frequency, extent, effect, destructiveness and bitterness. The morgan, basing his calculations upon the well considered probability of returns that he figures he has a right to expect, contracts more obligations, plans greater things; the purchase of dukes for his daughters, yachts, limousines, country seats and miles of game preserves for himself, his sons and sons-in-law, art collections, million dollar parties, princely gifts to educational institutions, so-called, and libraries and churches for his own glorification. This is a chronic state of things, and a demand of

the worker for more, threatening to impede the flow or to trim off a noticeable amount of the surplus value rushing the morgan's way is an annoying experience. In fact, the morgan regards it as wicked.

If we concede for the present purposes of the argument that the worker gets more than formerly, it is at once apparent that this increase is not nearly so much as is generally supposed. In the first place, if he gets a little more wages the morgan immediately begins to add the amount of the increase, together with a bonus, to the selling price of the commodities produced by the worker. The worker also consumes of these commodities that he produces. Hence, every time he gets a little more to catch up with the cost of living, that cost of living begins another upward move. Every branch of work then has the same experience, and every worker chafes because his allowance is no longer equal to the demands of his standard of living. So every worker is compelled again and again to demand a readjustment. In name and language he demands a raise. But it is in name and language only. In truth and in fact, he is rebelling against the shortening of his rations. As he gets what should be his allowance in a makeshift and cheating medium called money, an additional source of confusion of thought results.

We will suppose that the amount of necessaries that one dollar will purchase is now less by ten per cent than it was a year ago. The worker because of this reduction in the purchasing power of the dollar is certainly getting less than formerly. If his wages must be kept up to the living line he must demand that the shortage be made good. To say that a worker receiving ten dollars in medium of exchange now, where he got eight dollars ten years ago, is getting more than he got before in spite of the fact that in the form of the ten dollars the medium

of exchange does not give him any more in substance, does not make his living allowance out of the value he produces, is nothing but sounding brass. Money in the hands of the worker is never anything more than an artificial medium of exchange. To the worker it is not worth an iota more than it will procure for him of the free goods of nature and the value that he produced under the morgan's rule and now in the hands of the morgan. If ten dollars will not buy any more to-day than eight dollars did ten years ago, then the worker's living allowance amounts to no more today than it did ten years ago.

So we see that the worker, in order to keep himself up with the living line, is compelled to make frequent demands for readjustment and to enforce those demands with costly and destructive strikes and labor wars.

If there were a scientific medium of exchange, of a fixed and unvarying standard of measurement, it would be of immense service and avoid much confusion of thought and understanding. But as it is, we are harassed by all the pestiferous annoyances and filchings bred by what in fact is a double standard of value in one medium, namely, gold. When the worker produces say 920 units of value, of which his living allowance is 148 units, he gets it in something the value of which it is as difficult to fix down as the proverbial Irishman's flee. In the United States and most other countries he is put off with a haphazard wage expressed in gold. Of course, I shall not spend any time discussing silver and paper, as those are only the tokens of money redeemable in fixed quantities of gold. The amount of value contained in a given quantity of gold fluctuates. In fact that value, within the memory of man, has constantly been diminishing, as can be seen by the constant diminution of its purchasing power. Gold is brought out of the ground by work.

There are very few useful purposes that gold can be put to. Filling teeth with it is one. It is used principally for ornamental purposes, and in the form of coin as a medium of exchange. The cost of the labor power expended in digging it from the ground, affords only a minimum of the value demanded in exchange for it. If it had not been made the medium of exchange by artificial laws, gold would probably be very much less in fashion now, and its power to exchange for value in the form of useful things would be reduced very much nearer the cost of the labor power consumed in its production. Gold has an artificially created price imparted to it because by virtue of law it is a legal tender. Outside of buying necessaries of life, it is only good to invest, that is, as a means to get possession of something with which to exploit the worker and rake in surplus value.

The press for investment by the morgan of all his accumulated surplus values is only intensified by the addition to it of the gold containing surplus value over the cost of the labor power consumed in its production. It is of little importance to the morgan what price he pays for his personal needs, for they are but few comparatively, and the cost of them is of minor consequence to him. The prices paid by the morgan in the making of investments are also of minor importance when it comes to acquiring control of the resources of nature and the means of production. To him, complete control of big things is cheap at almost any price. He does not want gold, he wants interests, he wants control of the forces of nature, he wants the means by which he can draw to himself the surplus value produced by the worker. Though he pay high prices he makes it up many fold again by the surplus values raked in. By paying high prices in money to gain control of the resources of nature and the means of production, he is even cheapening

that very money by boosting prices and by restricting opportunities for investment of that money in profit winning enterprises.

The purchasing power of money is being continuously depressed by the morgan. His operations on a gold basis are doubled and quadrupled over and over again, first by token money, secondly, and enormously more, by bank balances, clearing house operations, drafts, bills, notes, etc., etc. Thus he sets the pace and when he causes prices to go up by the prices he himself pays, he is only doing that much to establish a greater measure of the profits to be gotten by himself, to justify as it were, the rate of the returns on his investments.

Only one thing must be kept down, and that is the cost of labor power. That must by all means be kept down to the lowest notch of cost. Therein lies the secret of the growth of surplus values.

I said that gold was the medium of exchange. Perhaps it would be more accurate to say that gold is an artificially created basis of exchange. Everyone has a right to demand payment in gold, but no one does, except in settling international balances. If everyone demanded payment in gold, it would merely result in a shuffling back and forth of the metal.

Things are very much different with the worker. To him money is a very much different sort of thing. To him money is made to represent life, and not mere poker chips on a gambler's table. If the gold received by him in lieu of his daily allowance were weighed out to him in accordance with its daily worth, i. e., in accordance with what it will buy from day to day, he might, possibly by constantly watching the market, be able to know as to whether he is getting all of his stated allowance or not. But even this meagre protection is denied him. He is befuddled by another trick and that is that the gold or

the paper and silver representing it, with which he is paid is given another name, and as that name is kept always the same, he is deceived into assuming that the value of the gold is stable because the name is stable. The metal pressed into uniform pieces is called one, five, ten and twenty dollar pieces, respectively. One piece contains 25.8 grains of gold, .9 fine, and is called a dollar, another 129 grains and is called five dollars, another 258 grains, is called ten dollars, another 516 grains, is called twenty dollars. The pressing of this metal into these respective pieces is merely for the purpose of convenience in handling, like the pressing of butter into one pound cakes, and is not intended to and does not add or detract a particle of value. Outside of the convenience of handling and the assurance of fineness and weight, these pieces, called coins of one, five, ten and twenty dollars have no more value than in the form of nuggets. In large transshipments, the metal, in fact, is in the form of bars.

But here comes the rub. Although gold has no stability of value despite its being pressed into coins and given a name, and is in fact constantly declining in value for purposes of buying the necessaries of life, so far as palming it off onto workers, and only for that purpose, it is regarded and treated as a fixed, stable and unvarying standard. The worker is compelled by his condition and circumstances to take this constantly diminishing metal measure, or its representative, in lieu of his living allowance from the value that he produces. As a consequence he sees his daily allowance constantly dwindling. He shifts along and endures the loss until it is no longer endurable. Then he demands a readjustment and if necessary again strikes to enforce his demand. The double standard is worked off on him by the simple device of applying a name importing fixity and perma-

nence to a thing that is constantly declining in its purchasing power. Then he is charged with being the disturber of the equilibrium whenever nature rebels.

Even the worker cannot live upon bread alone. He must have more than barely the material things necessary to support life. Yet the morgan, with his pseudo economists, keeps his press, his pulpit and his university progeny constantly busy reminding the worker of the things he has now that he did not and could not have a century ago.

The worker has, however, been awakening and marshalling his forces. He has been coming to a realization that he, too, is here to live and that to live means more than simply to work and to get in return the allowance measured on the same basis and principle as the allowance of the prisoner in jail is measured.

For the most part, the worker has an ambition to win a larger living allowance, and then to win gradually more increases, without thinking to change in principle the arrangement under which the morgan piles up his mountains of surplus values. To attain this end, the worker has formed extensive organizations, accumulated funds and waged war from time to time. These wars are often directed against gentiles of the second order because they stand between the morgan and the gentiles of the first order. On the whole the worker has won his fights. Even his defeats in the long run of events have proved of benefit to him. But his victories have to a very large extent been hollow victories. Whenever he struck for more, he was largely misled by a misuse of terms. The "more" was only in name. In reality he struck against a shortening of his allowance resulting from the money juggle and other maneuverings of the morgan. He is not getting more, he is getting less than formerly. The amount that a man gets is not to be measured by the

yard or by the quart or by the pound. It must be measured by what he needs. If a man does not get enough to live in a becoming manner in the community in which he is, then, although in actual bulk, the material be more, in truth and in fact he is getting less than he got when the standards of life were more modest and it required a less quantity in bulk of material to live becomingly in his community.

From the morgan's point of interest, the worker lives only to work, therefore he need not be allowed any more than just enough to enable him to work and reproduce his kind for the labor market. The morgan's interest is that the worker live on the smallest allowance that he can be squeezed to and do the greatest amount of work that he can be driven to do. From the worker's point of interest, he works only that he may live. Hence it is to his interest to do as little work as he can get on with, and get the most possible to be gotten out of life.

CHAPTER XVI.

SUPPLY AND DEMAND.

The morgan's classical political economists seek to account for all the disparities that exist in human society by what they call the "law" of supply and demand. They tell us that if a commodity is plentiful it is cheap, if scarce it will be dear. They say that labor is a commodity and is subject to the "law" that governs the price of all other commodities, that when the supply of labor exceeds the demand, the price of labor, wages, must decline, and when the demand for labor exceeds the supply, the price of labor, namely wages, will advance. They say that things work naturally that way and that it is folly to oppose nature.

The so-called "law" of supply and demand is the great conventional stumbling block to the study of the measure of values and of wages. The existence of such a "law" as a law of economics has never been established by valid proof or argument. It has merely been asserted. It is a piece of half-way reasoning. It furnishes a sort of sheltered haven for those who do not care to search any farther. It furnishes just enough of the stuff that looks like logical argument from sound premises to satisfy the indolent mind, the mind that loafs on the job; it circumvents troublesome questions and then claims credit for solving them. These learned doctors claim much credit for their discoveries, are received with open arms by other learned doctors, are decorated with wreathes of roses and then richly rewarded for great services pretended to have been rendered to mankind.

The whole being of the man who has studied modern

political economy and sociology rebels against this so-called economic "law." Some who have only scratched the surface shrug their shoulders and say, "We can't get away from it." Some say, "It is a harsh law and not entitled to any respect, therefore we will try to circumvent it or break it.' Still others, guided by a sort of intuition, deny that there is such a law, and as good and loyal supporters of the gentile cause, say, "It is false. There is no such law." The latter constitute a very large number. They are conscientious students. They proceed from established facts to sound conclusions. Those who premise the existence of such a law make the assertion in the most confident and authoritative tone they can command and pass on to the next subject, leaving the questioner to feel stupid for ever having asked questions about it. But a great deal better treatment of the subject is possible.

Whenever a question proves so extremely troublesome, it is best to analyze it before either trying to answer or to solve it by guessing. So, let us first ask, What is meant by a law? The answer is that it is a prescribed rule. Then, who prescribed this rule? If anyone should answer that it was prescribed by man, we might say (1) then man can revoke it, (2) that in the study of economics we are studying a science resting upon natural laws, and these cannot be subjected to man-made laws. If the answer be that it is a natural law, then let us enter a general denial right here and we shall have the issue before us.

It is not a natural law. And whatever we may call it for the purposes of the argument, it relates only to social relations, and in the absence of human beings it could have no existence. There is not a single natural law that is in the slightest degree dependent for its existence upon man or influenced in its operation by human beings. Not

a single one of the natural laws can be suspended or in the slightest degree modified, intensified or in any other manner affected by anything that man can do.

The morgan nor anyone else can make a pound of iron weigh more than a pound without adding to the amount of the material, nor otherwise affect the law of gravitation, nor make twice two any more or any less than four, nor change the general law that heat expands and cold contracts, nor amend the laws of heat or light or sound, nor suspend the laws of magnetic attraction or repulsion, or any of the many laws of electricity, hydraulics, pneumatics, dynamics, or mechanics. Who can change the laws governing the movement of the earth? Who can make the moon come nearer, or go farther from us, or show us her other side? Who can change or in any manner affect the laws that govern the ocean's tide or its currents? Who can change the laws of the season's? Who can change the laws of meteorology? Who can change the law of the indestructability of matter, even to the extent of destroying a single atom? To cite any more of the natural laws would be wearisome and not add to the argument that no man or set of men can by manipulation of the market or by any other means affect any of the natural laws. These laws are always uniform in their operation, never ceasing, never abating one tittle all pervading and inexorable.

How about this so-called law of supply and demand? A supply can be created, increased, decreased, or entirely shut off by man; likewise a demand. It is within the power of the morgan to set at defiance the "law" of supply and demand and decree if he will that every worker under his thumb shall receive say twenty-five per cent more than the market price of his labor, just as he has it within his power to hold him down to the scantiest livelihood.

The conventional political economists say that there are some goods the value of which is determined by their scarcity alone; that no labor can increase the quantity of such goods; and therefore their value cannot be lowered by an increased supply; that some rare statues and pictures, scarce books and coins, wines of peculiar quality, which can only be made from grapes grown on a particular soil, of which there is a very limited quantity, are all of this description; that their value is wholly independent of the quantity of labor originally necessary to produce them, and varies with the varying wealth and inclinations of those who are desirous to possess them.

Thus the whole of this important element of political economy is left to be buffeted about as the whims of the morgan may dictate. That were indeed a sorry sort of a rule for a science of the material welfare of human beings.

Their difficulty is that they do not differentiate between price and their notions of value. Price is only an expression of what they call the amount of value. The expression is usually correct. But it is not uncommon that an article sells for more or for less than the amount of attributed value it contains. Hence we have two serious errors committed by the morgan's economists. First, they take the exceptions for the basis of their so-called rule; secondly, they take the expression, price, for the substance, value.

The great masses of humanity are excluded from a participation in their heritage. They must buy all their livelihood and are fleeced in buying it. To them, all this talk of the price paid by morgans for rare wines, rare statues, rare pictures, rare books, and rare coins produced by gentiles to buy their livelihood, is the sheerest twaddle. It is a learned disquisition on the haggling over the loot.

If an artist should receive a full equivalent in value for a work of art produced by him, say one of the rare pictures, how could that afford any possible reason why other gentiles should be denied a full equivalent of the value produced by their labor, or why they should be denied their share of nature's free goods? Or, if a great artist be compelled to live the life of a beggar, as many of them have, and all the value produced by him in a rare statue is appropriated by the morgan in the guise of trader or art dealer, wherein does that prove the right to expropriate and exploit the remainder of the gentiles also? Does the successful spoliation of Tom give a vested right to despoil Dick and Harry also?

This much lauded law of supply and demand is no law at all. A mere fragment of truth disconnected and diverted from other and much more important and determining considerations, has been accepted as a basis of a doctrine, and this doctrine proclaimed as a law by the morgan's doctrinaires.

The pronouncement of this so-called law is nothing more nor less than the taking of an effect for the cause. This cause is the instinct of self-preservation. We hear much idle talk of buying human service, of buying labor in the market. Let us go back of this and discuss the subject that comes before all, both in order of time and importance, namely, the subject of buying a livelihood. That was the first and original subject of bargain and sale between the gentile and the morgan. That is the subject first in importance still. It presents the question that lies at the root of all of the questions that confront the gentile to this day. When the gentile works for wages, he does so that he may live. He is buying the means of life, then and there, the rigamarole of money and business notwithstanding. He is paying for the means of life with his labor power.

Nature is most bountiful, and when her processes are supplemented by human effort, she yields forth more than sufficient, not only of the necessaries, but also of the luxuries, for everyone. Every sane human being will find pleasure in putting forth that effort when he knows that he will receive in full the fruits thereof. But the gentile is always confronted by the morgan, club in hand, blocking the way to nature's resources, and the way to work, demanding and exacting in full not only all that nature produces spontaneously but also all that she yields in response to the gentile's effort, supplementing her processes, all of that which the gentile's brain and hand produces of value in addition to nature's materials. Of all this the morgan gives back to the gentile only as much as he has to give back to make the gentile willing to work for his livelihood, rather than go without.

In the exercise of his monstrous power, the morgan restricts the volume of production to the amount only necessary for his market. The restriction of this supply to the amount just necessary to keep the process going makes it easier for the morgan to hold the gentile down to the limitation set for him, and to render him obedient and subservient.

The gentile, like the birds of the air, is born into a world abundently stocked with the free goods of nature, to sustain life in happiness. Besides that, there is a vast store and accumulation of learning, wisdom and experience, of a long line of ancestors, to serve us in multiplying many times the benefits and sustaining powers of that which nature furnishes spontaneously. All of this is naturally for the free use of everyone. All of this constitutes our livelihood. But when the gentile reaches out to take of that sustenance supplied for him by nature, as the birds of the air take it, he finds himself stayed

by the morgan and the morgan's church and state, laws and conventions.

The gentile finds that he must buy that which is already his, but of which he is being forcibly deprived. He must pay for his livelihood. He must buy it of the morgan. The gentile is empty handed, shorn of all his inheritance. All that he has now is the power to work, and the continuance of this power is dependent upon his getting the means to continue life. So, if he desires to live, he gives his fealty to the morgan, serves him and receives the means necessary to sustain his life.

The meagerness of the means of life that the gentile is willing to work for is dependnt upon the strength of his desire to live, and his ideas of the living that is worth while working for. With some men the desire for life and the fear of death is so much stronger than with others, and the standard of a life worth while working for so much lower that they are consequently willing to work more and receive less. The African negro had a stronger desire to live and a greater fear of death than the American Indian. Therefore the African negro was made a willing slave. He would work hard for his livelihood and accept a small measure of his share of nature's life sustaining goods. The living that it was worth his while to work for was a comparatively poor living. The attachment to life and the fear of death were much weaker with the American Indian. Therefore the American Indian was practically worthless as a slave. He did not consider a slave's life worth while working for, so the Indian refused to work for it. He also refused to recognize title and property as having any right to stand between himself and what he needed. As a consequence the Indian was on the war-path a great deal of the time, but he was never a slave. His

mind never came under the domination of the morgan's pulpit, press and state.

So long as the life-giving things and the means of getting them are the private property of the morgan and can be locked up by him, the greatness of the supply of those things will not and cannot affect the price that the gentile is compelled to pay in services for his livelihood. Neither the largeness nor the smallness of the morgan's pile of accumulated wealth can in itself increase or decrease the gentile's desire to live. The greater the morgan's pile the more it might impress the gentile with the utter hopelessness of his situation. But this would not make wealth easier for the gentile to get. It is quite to the contrary. The greater the pile of wealth that is heaped up, the more difficult it is for the gentile to get it. So that we really find that this law of supply and demand works the other way than that claimed for it by its votaries. Cheapness in its final analysis means easiness to get, and the greater the amount of wealth there is in the world, under present conditions, the harder it is for the gentile to get any of it. Hence when we apply this so-called law of supply and demand to the whole situation and embrace all wealth, we find that the greater the supply, the higher the price that the gentile must pay for any portion of it. In fact, when it comes to getting any more than a livelihood, the price becomes practically prohibitive.

The gentile's instinct of self-preservation is not dependent upon the amount of goods that the morgan holds in his grip.

There is but one rule, or "law," if we please to call it such, and that is that the more completely the morgan can bar out the gentile from the free goods of nature, the greater the amount of subservient work he can exact from the gentile, subject to the one limitation, that the

livelihood of the gentile be not rendered so miserable as to seem not worth while living and working for.

The shutting off from the gentile of the sustenance furnished for him by nature is no different in principle than the opening of his arteries would be or the stopping of the flow of his blood through his body. The attention might then also be diverted from the criminality of the act by using the same Mephistophelian argument that all of the resulting discomforts of the gentile were due to the workings of the "law" of supply and demand.

What is the difference either in principle or effect between muzzling the ox or locking up all the provender? Could it be said seriously that the hunger of the ox was a legitimate result of the operation of the law of supply and demand?

The wolf in the fable was invited to a banquet by the stork, and found a most bountiful supply of delicious viands. But these good things were all contained in narrow, tall vases. Only the stork's long bill could reach into the recesses of this strange kind of table ware. So the wolf, being a law-abiding wolf and an observer of the proprieties, went away more hungry than he came. Now it will be conceded that the supply was sufficient, as well as the demand. In fact, the supply far exceeded the demand. But that did not cheapen the price of the victuals for the wolf. They were just as difficult for him to get, legally and politely, as if there had been no supply at all. Hence they were very high priced for the wolf.

If a small piece of cheese should appear in the same cage with two hungry rats, we should have an instance of a small supply and a large demand. The resulting scene would without doubt afford a very illuminating illustration of the operation of the so-called economic "law" of supply and demand.

Strangling a baby with a garter, in acceptance of this "law" would be a comparatively innocent act. The case would simply be that the supply of air for the baby's lungs did not equal the demand of the baby's life.

No more subtle device for avoiding consideration of a prime, actuating and moving cause, and keeping the mind busy with secondary and subsidiary forces and instruments, has ever been conceived than this so-called economic "law" of supply and demand. Following the same leading principle, it might be said that a man pushed over a precipice by another came to his death through the law of gravitation, or that a man shot to death, met his end by reason of the expansive property of gases generated in the barrel of a gun; and that these are natural laws that no human power can obviate.

The only object or purpose of promulgating such a "law" as this so-called "law" of supply and demand, is to give a specious and misleading explanation and excuse for expropriation and exploitation. In the chapters on private property and on wages it was pointed out that by the expropriation of all the resources of nature and the means of production, the rest of mankind, the gentile, have been placed in the position of the man in prison, or the rat in a cage; for, to be excluded by force from the natural means of livelihood is no different in principle than to be imprisoned in a cell. It remains only a question of how much a man will endure for the sake of holding on to his life. If life is so sweet to him that he will endure anything to keep alive, then he will submit to any terms that his jailer or master will impose, so long as he gets enough to keep alive.

In the discussion had on the subject of value, three propositions bearing on this subject were clearly established. One is that the free goods of nature have no value whatever in an economic sense. They have usefulness

without value, are invaluable, in truth. The second is that in an economic sense nothing has value save as that value has been created by labor. The third is that the only equivalent of the value created by labor, is a like amount of productive efficient labor. Two conclusions are therefore unavoidable. The one is that the so-called "law" of supply and demand can have no effect upon a value that does not exist, as in the case of the free goods of nature. The other is that this so-called "law" cannot determine the measure of the value created by labor, as that value can be, and is determined only by other labor.

It should not be necessary to spend time discussing the effect of supply and demand on rare articles not required to meet general human needs. The possession of these, whether by Tom, Dick or Harry, is not of the slightest importance to human society. The Cullinan diamond may remain in the Tower of London, or it might be sent back to South Africa, or thrown into the sea, without in the slightest degree affecting the welfare of humanity.

As to the competition between Tommy Numskull and Percy Hollowhead resulting in the enormous price paid for some monstrosity of a dog, it is not worthy of much consideration as bearing upon the controversy. They are morgans. Theirs is nothing but an artificial situation, here, produced by themselves as a result of their artificialized minds, though we may admit that it is not productive of any direct baneful results upon society. The indirect baneful results of debasing their own minds that might be employed in better things, and the consumption of labor power in the production of deformed dogs and such things is slight compared to other things. To compare for a moment the consideration of this sort of clap-trap with the consideration of the wants and needs

of the mass of human kind is only to trifle with a serious subject.

Yet here it might also be pointed out that it was the instinct of self-preservation that led the worker to discover and dig up the diamond, to cut and polish it, to breed and produce the queer dog with undershot jaw, crooked ears and mangled tail, so that he might facilitate the getting of his livelihood by catering to the whims of the morgan. The worker does it for a living. "What does he do for a living?" is a very common question, and is strictly accurate and to the point. Whether the worker produces diamonds, breeds abnormities or piles up enormous fortunes for the morgan, it is all the same. He has to satisfy the morgan's whim. He has to buy his livelihood from the morgan; has to pay a price that will satisfy the morgan's whim in a form and manner that will meet the approval of the morgan's freakish mind. The whimsical turns and twists and competitions of the morgan's market do not and cannot change, either the principles involved or the results. On the whole, it simply presents one phase of the present condition of human society in which the worthy is subjected to a slavish subserviency to the unworthy.

The morgan can no more escape responsibility for the torture and murder of the gentiles under his industrial regime on the plea of his so-called law of supply and demand than the infanticide can escape conviction of murder for strangling the baby on the plea that all he did was to perform the perfectly innocent act of shutting off the baby's air, and that the "law" of supply and demand did the rest, and was therefore the sole cause of the baby's death.

After all is summed up it cannot make any difference whether we call this thing labeled supply and demand a law or by any other name. This seems irrefutable,

that under present conditions it is nothing more nor less than an instrument wholly in the control and ownership of the morgan to oppress and exploit the gentiles.

The morgan rests his case on his so-called "law" of supply and demand. Thus he tells the gentile to attribute his situation to the agent and instrumentality by which the system is perpetuated, rather than to the system or to the morgan's predatory disposition. Insofar as the morgan and his panders have succeeded in this, their plan of a "higher education," the gentile has been kept busy clawing at the end of a torturing prod.

It is extremely doubtful if an imprisoned tiger would spend his time or break his teeth on the end of the iron rod with which he is being prodded by his tormentor, if it were not for the iron bars of his cage. The tiger has not been "educated" in the morgan's school of political economy.

The morgan's Supply and Demand dogma, reduced to its absurdidty, gives us this result:

Say that the needs of the world demand and that the world normally produce 10,000,000,000 bushels of wheat normally of the value of, say, 75 cents a bushel, making $7,500,000,000,000; and that in a poor year only 8,000,000,000 bushels are produced. There would be a shortage of 2,000,000,000 bushels. This would increase the value of wheat to say $1.00 per bushel. That would give the world $8,000,000,000 in wealth. Here we would have a gain of $500,000,000 in the world's wealth as a result of the shortage in the wheat crop.

The next year, with the needs of the world demanding the same amount, there are produced say 12,000,000,000 bushels. This would certainly send wheat "values" down. If they went down as low as 50 cents a bushel, we should see the world's wealth in wheat represented by $6,000,000,000. Thus the anomalous situation would

be presented that the world with 12,000,000,000 bushels of good wheat in its bins would be $2,000,000,000 poorer than it was with only 8,000,000,000 bushels. If the wheat crop had been 14,000,000,000 bushels and all other crops equally abundant, the world would be poverty stricken. But if the farmers all united and wantonly destroyed half of all that was produced, prosperity would be with us again, the 7,000,000,000 bushels of wheat would jump at once in value to about $1,25 a bushel making the wheat crop worth $8,750,000,000. All of the rest of the agricultural products left to the world from the great destruction would go up in about the same measure. How gloriously rich the world would be because of the resulting high prices!

Take diamonds. If every pebble in every gravel deposit were suddenly turned into a diamond, all of the so-called wealth in diamonds would disappear at once! If, however, the supply of diamonds were diminished again, by casting all of the newly found gems into the sea, why all our wealth would again be restored instantly!

Since in times of stress, famine and shortage, all necessaries go up in prices, we are always richest when we have been visited with late frosts, drouths, locusts, crop destroying hail-storms, floods, etc., etc. If we wish to increase the value of city houses and send rents up, all we need do is to burn down half the town or arrange to have a cyclone strike it, and the national wealth will be increased at once without the driving of a nail or the laying of a brick.

Under this morgan theory of supply and demand, the greater the supply of useful things we have, the poorer we are, and the less the supply of goods at our command, the richer we are. It is all in the thinking.

CHAPTER XVII.

MONEY.

We are accustomed to have it said that money is a medium of exchange. The expression is strictly correct, yet withal, most misleading, because the mind becomes extremely prone to suspend all further inquiry as soon as the expression is received. All further investigation is abandoned at once. Furthermore, the statement that money is a medium of exchange carries with it two suggestions that are both false. One of these is that money is not anything else, that it possesses no other qualities, properties or functions. The second is that it is the only medium of exchange that there is or can be. Both of these illusions cause far-reaching mental confusion.

That which is called money, originally, was not money at all, as the term money is now understood. First it was only a thing of some usefulness, a good. When the possessor came to exchange it for some other thing, it took on another quality and function, that is, it became also an article of barter, to trade off for something else. This was quite separate and aside from the quality which it already possessed of usefulness to its owner. It took on a second, but extrancous, usefulness, as it were. This second usefulness differed quite distinctly from the first. The good became a means of getting some other good. The difference was somewhat like that of throwing an apple into a peach tree to knock down peaches. That would be using the apple not as an apple, but as a missile to get peaches. Using a fire poker as a club is another illustration. The poker still remains a poker. The baby carriage when used to bring home groceries

does not thereby become any the less a baby carriage. When goods come to be considered as things to be traded for other goods they also naturally come to be regarded with a different aspect than before. It is no longer the question what can I do with them? but it is what can I get for them, and how much can I get for them? Particularly the latter.

The thing that a commodity is exchanged for is merely a good in the hands of the new owner if he takes it for its inherent usefulness for himself. But if he takes the new article only to exchange it again for still something else, then it too is a commodity. It then becomes also a mere medium for the exchange of the original thing possessed for the thing ultimately wanted. If the article is one that is readily exchangeable for things wanted and therefore is generally taken in exchange, it becomes a favorite commodity and therewith a generally used medium of exchange. But it does not thereby lose any of its other or previously possessed qualities, even though those qualities be lost sight of in the greater attention paid to that of the medium of exchange. The apple remains an apple, no matter how many times it be used as a missle, and the poker remains a poker no matter how many times it be used as a club. So too with the baby carriage.

When a commodity becomes a medium of exchange it becomes at the same time a means of admeasuring the values attributed to other commodities in exchange, by having the desireableness of owning it brought into contrast and comparison with the desireableness of owning those other commodities. It is thus made a measure. Nor does this alter any of its former qualities, for it is also merely an adding on.

Last of all, this good which has gone through the process of evolution and taken on these aforementioned

qualities and functions until we see it is a general medium of exchange and measure of attributed value, has superimposed upon it still another office and function. This last is the result of legislation and constitutes the sole cause of all the artificialities attached to the subject. This last quality and function is that of a legal tender or medium of state-enforced quittance. The greatest number of functions performed by money is thereby reached. The subsequent evolution of money relates to the increase and decrease in importance of the respective functions and offices of money as compared with each other.

Here we have then five distinct qualities and functions and therefore five distinct aspects of money, four of them the result of undirected development, and the fifth one the result of deliberate legislation. These should be well borne in mind and are therefore set forth as follows:

I. A Good.
II. A commodity.
III. A medium of exchange.
IV. A standard for admeasuring attributed values.
V. A legal tender or medium of state-enforced quittance.

The first pertains to goods held for, or applied to personal use. The second is assumed by goods when made the subject of exchange. The third and fourth are assumed when the indirect or mediatorial method of exchange is resorted to. The fifth is called the legal tender aspect or quality and comes into existence when the power of the state enters for the enforcement of quittances. This latter is a wholly artificial office, extraneously attached as it were, and altogether dependent upon legislation. It is a result of the spirit of force and coercion. It involves the expression of the war power of the state in collecting its own demands and in enforcing

its judgments. But it is not an essential function of money as goods, or as a commodity, or as a medium of exchange or as an admeasurer of the attributed values of other commodities.

The first four of the enumerated qualities and functions of the thing called money are not and never can be confined to money nor do they or will they ever depend for their continued existence upon legislation, so long as the institution of private property continues. They were naturally and spontaneously acquired with the coming in and development of the institution of private property. They are the unplanned and undesigned product of society as distinguished from state consideration, deliberation and legislation.

The acquisition and exchange of commodities for profit constitutes the basis of the whole of the morgan's system of industry and business. Therefore exchange of commodities for profit constitutes practically the whole of its character giving activities.

Many different commodities have served as media of exchange. In some regions it was live stock, in other regions dried fish, in other regions tobacco and in still other regions it was slaves. Cattle could be driven from place to place for the purposes of trade, the flesh furnishing food that could be made available at any time. Dried fish represented human effort and also served as food. Tobacco was always in demand in its region. The slave could easily be led from place to place to be traded off, and in the meantime, his labor power could be utilized either in personal service or in the production of surplus values.

If one of our early ancestors owned something that he had no particular use for and could not find an owner of some desired article who was willing to trade with him for his article, he naturally would try to trade for some-

thing that he could more readily trade off again because of its useful qualities or attractiveness, and so use the latter article as a medium to get eventually what he was unable to obtain by direct exchange. Thus custom arose. Certain commodities, because more easily tradeable than others, became the favorite commodity, and in course of time were generally accepted as media of exchange. This did not in itself involve any alteration in the nature of these favorite things themselves or in their functions and uses either as goods for personal use or as commodities for the purpose of direct trade or profit. It was merely the adding on of new and further offices and functions, and the extension of scope and activity.

Gold and silver recommended themselves to man. They were ordinarily more difficult to wrest from nature than most other things. They therefore represented more human labor. They were easily transported, were attractive to the eye, could be formed into articles of ornamentation. In a word, they were particularly alluring and afforded a splendid parade of acquired wealth. As naturally as a man had before that estimated the attributed value of a field, or a tent, or a house, in slaves, or heads of cattle, or dried fish, or tobacco, when custom brought gold and silver into vogue he readily estimated and computed the attributed values of these articles of trade in pieces of gold or silver.

The temptation to debase gold and silver was always great because there were great profits to be gained by such debasement. Therefore states, to protect themslves, directly, and also indirectly through protecting their subjects in that respect, inspected gold and silver used as media of exchange, and struck these metals into disks of uniform weight and fineness, and impressed marks upon them so that the quantity and fineness of the metal

in each disk or coin was thereby assured. Further assurance was also offered by prescribing punishment for counterfeiting. This in itself did not give the final attributes of money to the coin, although it did, quite incidentally and accidentally, as it were, give the name of money.

In ancient Rome the first money was coined in the Temple of Juno. This goddess was also called Moneta. Hence the coin was called moneta from which our term "money" is derived. With the name we also inherited the holy mummery and mystery surrounding the subject that came from Moneta's temple.

Our municipal governments inspect milk so as to protect us from cheats and enable us to feel assured that the milk left at our doors in bottles complies with prescribed requirements both as to quality and quantity. Yet no additional quality, function or office is added to the milk thereby. The state also inspects other commodities nowadays, supervises and marks weights and measures, and prescribes penalties for adulteration and falsification. All this is to protect us from being cheated as to the represented quality and quantity of those commodities. So far, it is in principle no less and no more than the service performed by the state in striking off gold and silver coin.

The state—and state here means ruling power—saw an advantage in demanding that levies of taxes and assessments be paid in gold and silver. Fines were made payable in the same material. The same rule was extended to damages paid by one subject or citizen to another for injuries to persons or property and for breaches of contract. Here then we see the last function and office added which distinguishes money from all other commodities. The good, the favorite commodity, the medium of exchange and the measure of attributed value,

now also becomes the medium of legally enforced payment and settlement.

One of the natural consequences of this new and additional quality and office now legally attached to the favorite commodity is that in contraversies over amounts and balances, the debtor finds it to his advantage to avoid the displeasure of the law and so tenders to the creditor the exact amount of the debt, in the good that is the very body of the favorite commodity, medium of exchange, measure of attributed value and now also medium of enforced quittance or payment. The debtor tenders the full amount of the debt in state-minted coin. This act on the part of the debtor is a legal tender. The coin that answers the purpose of such an offer or tender is also called a "legal tender." This term may also be applied to the bills, or what is known as paper money; warehouse certificates, as it were, used as a convenient and economical representative of coin and redeemable in coin on demand.

That gold and silver in the form of coin became a legal tender, that is, money in its more fully accepted sense, or that in later years gold coin with its equivalent of bills and certificates, became alone the real money, does not deprive either of those metals, whether in bars or in the form of coin, of any part or degree of the quality of a commodity. The additional office and function does not in the slightest degree change or alter the previously acquired and still retained offices and functions, any more than the attaching of an additional car to a railroad train changes the office, function or nature of the earlier cars or of the locomotive engine drawing the train. However, it can be said in this connection, that the greater scope thus given to gold results in making it more prized; gives it a higher measure of attributed value than it otherwise would have. This is artificial

and in part attributable to the private ownership of the gold mines and the machinery for mining gold.

The gold contained in the coin, outside of the enhanced attributed value which it gets by reason of the greater demand for it in the market, neither takes on nor loses a particle of the other qualities which it already possessed, by reason of now being also a legal tender. The giving of another name to the coin, calling it a dollar or an eagle, is of no especial significance, except as already stated. The gold coin that is called money will not buy any more than the metal contained in the coin is estimated to be worth. When offered in large payments the gold is weighed, whether in bars or in the form of coin. Gold has no other element of real value than that contained in any other article. That is the value imparted to it by the expenditure of labor power in its production. Yet under the morgan's system of society, gold has an unreal and varying value attributed to it. It is worth whatever can be gotten for it. That is the only pretense to a measure of its attributed value under the present system of society. That is equally true of all other commodities. The use of gold, in coin or in bars, as a purchasing medium, that is, as a medium of exchange, is no different in principle than the use of any other commodity disposed of in barter. If you give a gold coin, called a dollar, for a bushel of wheat, you are merely trading gold for wheat and the other man is trading wheat for gold. It is just as accurate for him to say that he bought a gold coin for a bushel of wheat as it is for you to say that you bought a bushel of wheat for a gold coin. It is a barter, and to speak of buying and selling is only to inject different names and terms. That makes of it a mere matter of words. If, to-morrow, you get two bushels of wheat for one gold coin called a dollar, the farmer can say that

the gold was dear and you can say that the wheat was cheap; or vice versa. For all of that, the amount of true value contained in the bushel of wheat, as well as the amount of true value contained in the gold coin, remained unchanged.

The late John P. Morgan said to a committee of Congress that only gold is money. Having in mind the legal-tender potency given by legislation to gold that has been inspected and tested by the state and struck into uniform pieces called coin, it may be conceded that what Mr. Morgan said was entirely true. But it was entirely technical also. Mr. Morgan did not say that gold was the only substance that could be money. Nor could he say it. No doubt he thought that gold was the best thing that nature ever produced to serve as money. That would be merely his opinion. But the state, through the exercise of the same power to decree what substance shall be required to discharge an obligation could just as well make platinum, or copper, or lead, or salt into money.

But in the domain of political economy, yes, in the everyday affairs of life, in the most important and far-reaching matters, in the things and considerations that make and destroy nations and sway society, and despite all the legislation that has ever been had, Mr. Morgan's sage utterance fades into thinnest nothingness when met by the effulgence of a most casual remark of the gamin on the street, who, on seeing a limousine drive by, said: "Dat old guy's got all kinds o'money." That uncouth child of poverty, with a rag of human speech found in the gutter, gave a most cogent expression to the essence of all that there is in money as well as all that there is in the whole field of political economy. The child did not see any money, but his expression told that his mind had taken note that the man in the limousine

owned many things of many kinds, things of attributed value, things that were readily exchangeable for all kinds of other things of attributed value; that the possession of all these things gave the man in the limousine a great power and enabled him to have also huge sums of money at his command, else he could not have possessed the evidences of wealth. The power to command is all there is in ownership. Terms and terminology, media and method, had not yet darkened the child's natural mind. He knew the what, though he did not know the artificial how of the morgan's world.

Gold long ago became too cumbersome and expensive to serve directly and exclusively as a medium of exchange. Gold therefore withdrew, to a very large extent, from circulation. In many of the largest and busiest centers, gold has dropped out of circulation altogether, appearing only for purposes of show to make Christmas or birthday presents with, and then retiring quickly again. Pieces of paper, more or less artistically designed, have taken the place of gold as a medium of exchange. These are much in the nature of warehouse receipts. Like gold coin, they pass ownership with delivery. Even though they be stolen, the innocent taker of them from the thief for a valuable consideration, gets a good title. This must be so; trade demands it. The paper also takes the very name of money, is redeemable in gold coin on demand and circulation as, and performs all of the offices of, a medium of exchange in the place of gold coin. This paper money is much more convenient to count, handle and transport, particularly because of the large denominations in which it can be issued. It does not depreciate by abrasion. For these reasons it is much cheaper. Everybody has confidence in this paper money; everbody feels assured that it can readily be exchanged for things that are wanted. This

is because it is a favorite commodity.

There is no state law, and can be no law to compel anyone to give up to another anything that he has, just for money, paper or gold, or to render service. The exception that we find as to public corporations rests upon the public franchise granted upon those conditions. He gives it up for paper money because paper money has come to be a medium of exchange; and he is confident that any number of other people will voluntarily give up to him also other things that they have for this paper money. So he willingly gives up things he has for pieces of paper, in themselves of no practical value, because he knows that he can give and others will take that paper in exchange for other things. Thus the paper becomes a medium for the exchange of other things that have or are regarded as having value. These are the things that we are really concerned about and wish to exchange. The paper money facilitates the exchange and that is the only reason why we care for the paper money.

It is true that the efficiency of paper as a medium of exchange is dependent entirely upon confidence. That is true of every medium of exchange. It is true of gold. It is true of every commodity. Let gold lose its power to get other things in exchange and it will cease at once to be a medium of exchange. Let a mountain of pure gold suddenly appear and gold coin will at once be refused by all who have things to sell until the mountain becomes private property, the output of gold restricted and the fad for gold revived. As to commodities in general, it is safe to say that the merchant would never lay in a stock if he were not confident that somebody will again buy enough of it from him so as to give him a profit.

As long as confidence in paper money is maintained,

it will perform its work of transferring attributed values back and forth. Destroy that confidence and the paper will no longer do its work. That confidence is now upheld by keeping on hand a very small amount of gold compared to the paper and other token money in the shape of silver, nickel and copper coin that it must secure. This modicum of gold holders of paper money may see if they have a mind to. They can also take it if they really want it for their paper money, provided, however, that there are not too many that want it. But, practically, no person wants it. A much smaller quantity, say one per cent, would answer under such conditions. In fact, if nobody wants the gold, there is no good reason why a single gold coin should not answer every purpose, so long as the policemen could keep the line in order as the people file past to have a look at their gold!

Anything else of attributed value would answer the same purpose just as well. Platinum would do, or wheat, or corn, or cotton would do, whether in the raw state or manufactured, i. e., coined; brick and stone, and steel would do; steel rails, steel wheels or other wheels would do; houses, railroads, steamships, mills, mines or farms, would do; bread or meat, clothing or shoes would do. It would be only a matter of keeping these articles on hand and up to their full attributed value. We shall see how this is actually done at present when we come to consider the subject of banking. All of those forms and things of attributed value, perform to-day the office and function of giving and upholding confidence in another medium of exchange so extensive in its reach and importance that money as a medium of exchange is a puny thing in comparison. All the gold in all the vaults plays a comparatively small role as a medium of exchange to-day. But this relates to banking and we shall take

that up in another chapter. To say that values to be exchanged cannot give security to paper by which the exchanges are affected is an absurdity. Exchangeable values are the principals. Gold coin is simply the deputy, functioning as a medium of exchange to support and inspire confidence in paper acting as another medium of exchange. The deputy is skipped in the largest transactions every day and many times every day so far as his claim to act as a medium of exchange is concerned.

It would be an unjustified assertion to say that the principal values that are themselves exchanged by the use of media of exchange cannot be readily transferred or divided up into the necessary fragments required by trade. The fact is that trade does not require the kind of handling and dividing up that would here be inferentially claimed. It is a long time since we have used gold dollars in business. The smallest gold coin ordinarily seen is the five-dollar piece. Yet we have had no difficulty in spending less than five dollars at a time. The man who has only one copper cent cannot redeem it in gold. Before he can do that he will have to get 499 other copper cents, with which to get a five dollar gold coin.

Aside from the artificial and law-supported legal tender aspect of it, money is being fast reduced to a single one of the four separate and distinct, naturally acquired, functions. It is being more and more restricted in scope to the function of a standard for admeasuring attributed values. It is a poor, wavering and fluctuating standard at that, and it is becoming worse all the time. It is a yardstick of very changeable length, for the most part contracting to a shorter reach. In the very poorest of fashions, money is used as a means of admeasuring the attributed values of commodities brought into exchange after the manner established by trade. The reason for

this is that real values are not admeasured. Only the fictitious values of commodities are admeasured. The value in an article consists of the average time of simple labor power necessarily expended in the social production of that kind of an article. This could easily be standardized under a sane and reasonable social system, if it were deemed desirable. But under our present social chaos there is no standard of valuation. Everything is in the market scramble. That is the theory of "values" under the morgan. The greatest dishonesty attends the practice of even that theory. The morgan, who holds and controls the resources of nature and the means of production, does not scramble. He sits tight. He can be dignified and respectable. The scrambling is done by those who are compelled to get a living. The morgan has control of the yardstick called money. He can make the yard a long one or a short one as he likes. It is to his interest to make it grow constantly shorter. To have things dear suits his purpose. All the movements of the morgan are masked and the gentiles in their strivings and competitions have their attention drawn away from the points of their expropriation and their exploitation, and are worn out in senseless contentions over the money prices of commodities.

CHAPTER XVIII.

THE BANK AS AN AGENCY OF EXCHANGE.

The two functions of money (a) that of a medium of exchange and (b) that of a measure of attributed values are both products of evolution. But evolution never stops. It is constantly sloughing off and modifying the old and at the same time adding the new, changing the emphasis, transferring the importance from one feature to another, until the object appears as something new. Yet the new comes in on us in such a way that it is likely to be unnoticed in the coming.

The corporeality of money—true money, gold, as our financiers say—long ago began to decline in its activity as the medium of exchange, leaving that office to be performed more and more by the servants called tokens or money. In time these servants had to begin to give way also. There were too many of them. The entourage became too large, unwieldy, blatant and vulgar. So even paper money became too bothersome. It required too much work to count and carry and protect against thieves, fire, and dirt and germs. It is too much exposed to the danger of being lost. If lost or stolen the title of it will be gone as soon as it gets into the hands of innocent holders. It cannot be pursued by the owner or retaken from innocent holders who have in good faith parted with value for it, as can be done in the case of a lost or stolen coat or horse. And lastly, but by no means unimportant, the handling of money in considerable sums has lost the flavor of fashion. The odor has become tiresome, as it were, and even offensive. It has long since come to be very much more within the canons

of style and respectability to make quittances and exchange of value by means of checks on the bank. It is considered quite rustic and boorish to-day for one individual to pay over to another any considerable sum of money, be it gold or paper. It has gotten to be quite the formula in preparing to close real-estate transactions to ask: "Would you prefer cash or a certified check?" and the answer almost invariably is: "A certified check, by all means, if you please"; or a draft on New Yerk or some other financial center is asked for.

Those of us who enjoy the confidence of the landlord and the shop-keeper prefer to make our quittances by means of checks on the bank, and we look with pity upon the line of worn faces and bent backs at the tax gatherer's window awaiting their turn to pay their taxes or water bills in cash. A check on a bank is so much easier, quicker and safer, both to the remitter and the receiver, and it adds much more to one's prestige than the handling of dirty money.

The payee deposits the checks received by him during the day in his bank in the vast majority of instances. If his bank is the one on which the check is drawn, the amount is written on the credit side of the payee's account and on the debit side of the drawer's account and that transaction is thus closed. If the check is drawn on some other than the payee's bank the payee deposits it in his own bank in exactly the same manner. The clerk in the payee's bank gathers up, assorts and tabulates all the checks on other banks received in this way and sends them every day to an appointed place at an appointed time where the messenger meets like messengers from other banks in the same city or district. It is of no importance where this place is. It could be in a bar-room or on the street corner. It is usually in some convenient place and is called the clearing house. The

name is purely technical and is a blind. Most people do not understand what is meant by it. The name recommends itself as a convenient thing to confuse the minds of the uninitiated. It is part of the morgan system to give confusing names to things. This so-called clearing house is nothing but a swapping place and it ought to be so designated. People not informed in such matters would not then get false impressions from a hollow high-sounding name.

When the different bank messengers meet at the swapping house they simply swap shecks, each one receiving from the other the checks drawn on his own bank. Each takes the checks so received back to his own bank. There the checks are verified. Then their respective amounts are written on the debit side of the accounts of the respective drawers, if the amount on the credit side is not thereby exceeded. If the credit side is not good for the amount, the check is sent back dishonored to the bank from which it was received in the swapping process, unless the bank officer regards the drawer as of sufficient financial responsibility to honor the check on the drawer's general credit. In the latter case the check is charged to the account of the drawer who is notified of the resulting shortage in his account. This shortage is called an overdraft.

A clerk in each bank computes the sum ot the checks received daily by way of the clearing house. The sums of the different consignments of such checks are set off against the sums of the checks on the other banks, respectively. When that is done each bank owes or has a claim for whatever difference may be found to remain. Each bank may be owing a balance to one or more of the other banks. At the same time it may have one or more balances coming to it from still other banks in the swapping combination. These balances may be paid off

by checks or orders given on debtor banks and so adjusted through further credit and debit entries, or through a system of orders on a common fund maintained by the banks that are parties to the swapping arrangement. These orders on the common fund are called clearing house certificates.

The Pujo Committee of the House of Represenatives in its report speaking of this simple swapping arrangement of the banks, says: "At the beginning of every business day each member presents at the clearing house all checks against other members deposited with it up to the close of business of the preceding day. Accounts are stated and in the afternoon every debtor member brings the amount due from it to other members to the clearing house, which on the same day pays it over to the creditor. The advantage of this system over the archaic practice of each bank separately making its collection over the counter from every other bank is incalculable.

"To reduce the risk and labor of daily carrying through the streets large amounts of money necessary to pay the balances due from and to each other the members of the clearing house association deposit with it coin and currency other than bank notes and in return receive certificates in stated denominations payable to any member. These are used by members in settling with each other at the clearing house."

Thus we see that the banks have in actual practice and effect become to a very large extent the method and machinery of swapping attributed values during the periods of normal business activity, and that the clearing house is simply a place where the swapping system is extended and made more effective.

As a result of all this, a relatively small amount of money is used as a medium of exchange. Money has to that extent lost the function of a medium of exchange. This

function is accordingly being supplanted by the swapping of attributed values through the banks and their extended swapping combinations called clearing house associations.

Only the terms of money remain to function as measures of attributed values. The great volume of exchange of attributed values is effected by means of a system of book-keeping operated by a corps of poorly paid laborers of little skill or understanding, in the employ of the banks and clearing houses.

The extent to which attributed values are exchanged without the use of money, that is, through offsetting of accounts, is in a measure indicated by the report of the Pujo Committee. That report says:

"In 1911 checks to the amount of $92,420,120,091, averaging $305,016,897.99 daily, were collected through the New York Clearing-House Association. This required but half or three-quarters of an hour morning and afternoon and the use of but $4,388,563,113.05 of actual money, averaging $14,483,706.64 daily, thus requiring the exchange of but 4.7 per cent of the money that would otherwise be involved in these transactions."

Thus over 95 per cent of this vast aggregation of exchange of values was affected by a direct swapping of credits in the various banks, all done by clerks performing merely routine services. The remainder, as we have already seen from the quotation from this committee, was also adjusted by a further swapping of credits on the books of the clearing house by means of clearing house certificates.

The report of the United States Comptroller of the Currency for 1912, page 774, gives a comprehensive statement of the transactions of the New York Clearing House, year by year, from 1854 to 1912. This statement is valuable in showing the phenomenal growth of the system of swapping attributed values through simple bank book-keeping,

and the small amount of cash required to adjust balances. To illustrate, it is sufficient to take the five year periods:

Year.	Clearings.	Average Daily Clearings.	Percentage of Bal. to Clearings.
1854	$ 5,750,455,987	$ 19,104,505	5.17
1859	6,448,005,956	20,867,333	5.64
1864	24,097,196,656	77,984,455	3.67
1869	37,407,028,987	121,451,393	2.99
1874	22,855,927,636	74,692,574	5.62
1879	25,178,770,691	84,015,540	5.56
1884	34,092,037,338	111,048,982	4.47
1889	34,796,465,368	114,839,820	5.05
1894	24,330,145,366	79,704,426	6.54
1899	57,368,230,771	189,961,029	5.37
1904	59,672,796,804	195,648,514	5.20
1909	99,257,662,411	326,505,468	4.22
1912	96,672,300,864	319,050,498	5.22

The Comptroller, on page 776 of this report, gives a comparative statement of the clearing houses of the United States, 151 in number, for the years 1911 and 1912. From this it appears that the clearings for 1911 were $159,508,005,000, and for 1912, $168,506,362,000, an increase of $8,998,357,000.

Besides the foregoing clearing house transactions, there is the great number of transferences of attributed values back and forth by checks where the payee deposits his check in the bank on which it is drawn. These, of course, do not have to be swapped. They fulfill their mission the moment they are credited to the payee on the bank's books and debited to the drawer.

A bank check is a very simple document upon its face. Its words are very simple and in themselves not calculated to deceive. "To the Big National Bank: Pay to the order of John Jones, One Hundred Dollars," dated and signed. Surely such an innocent looking instrument should not be the ground-work of any deception upon anybody. As

between the immediate parties to the instrument it is not. As to its effect upon the general understanding of banks and banking it is most misleading. It is an extremely technical instrument. Based upon what we now know about the clearing house, it is intrinsically correct to the extent of less than five per cent. Only five per cent of it, on an average, is paid by the bank. The remaining 95 per cent is credited to the payee on the bank's books. No money whatever having changed hands.

If the checks were in some such words as these: "To the Big National Bank: Credit John Jones with an amount of value expressed in terms of money as One Hundred Dollars and charge my account with the same amount; or if Mr. John Jones becomes distrustful of the banks, then hand to him the amount of his claim in money and let him go," dated and signed, it would express the true nature of commercial banking. That is what it amounts to in practice. In over 95 per cent of these check transactions, measured in dollars, John Jones is simply credited with the amount of his check, and the drawer of the check debited, and in less than five per cent of them, also measured in dollars, does John Jones demand the money. Therefore, money serves as a medium of exchange in less than five per cent of the bank's transactions. In more than 95 per cent of them the attributed values are transferred by means of the instrumentalities of the bank and without any money functioning as a medium of exchange. The office of money is only that of admeasuring attributed values.

It has become one of the strong canons of business ethics to trust the banker implicitly and not to call for the actual cash to any greater extent than is absolutely necessary. This ethical teaching is being constantly impressed upon everybody reachable.

The result of the development of banking and the general

confidence in the banker is that ordinarily the volume of trading through the swapping methods afforded by the system of banks and clearing houses so far as any estimate can be made is about twenty times the amount effected by the passing of money as a medium of exchange. This is certainly a great advance in efficiency. One would think that the immense saving would redound to the direct benefit of those owning the industries, the shops and the market places. But it does not.

The morgan in the guise of the banker has appropriated this method and machinery, evolved by the whole human family, and uses it most effectually in exploiting the exploiters. It has resulted in this, that the banker not only "does business" on a much larger amount of other people's money, but the business that he can do, if not restrained, by dealing in mere money terms amounts to about twenty times the amount of money he actually uses or has. Of course, the actual proportion can not be arrived at. A reliable inkling of it is afforded, however, by the testimony of the bankers before the Pujo Committee, from whose report quotations have herein already been made, and by the report of the United States Comptroller of the Currency.

It is not at all to be wondered at that the morgan as banker, together with all of his servile press, turned all of the batteries against the Pujo Committee.

CHAPTER XIX.

COMMERCIAL BANKING—THE EXPLOITATION OF THE EXPLOITER.

The swapping of attributed values constitutes by far the greater part of modern commercial banking. It constitutes about 95 per cent of it.

If the customers of the commercial banks were to collect into one place under their own control a sufficient amount of money to cover the five per cent approximately that is really needed to effect the swap of attributed values, deposit their securities in the amount required to maintain the needed confidence and hire a corps of competent clerks to keep the books and act as tellers and cashiers, the morgan would be dethroned as banker. There would be no more discounting of business in favor of the morgan for his so-called brain work in the running of a bank. The man in charge of a bank would then find himself in the position of a clerk getting a clerk's pay.

The customers would, by such a proposition, be taking for themselves the benefits resulting from the evolution in trade and exchange that has followed down through the ages. Such an arrangement would put the banker on a wage basis. It would mean putting him where his clerks and trotters and tellers are now, namely, upon a basis where he could expect to receive for his work only enough to enable him to live in the station in life which he occupied, and that station in life would be the station of a clerk.

Such a proposition on the part of the public would mean the abrogation of private ownership of the method and agency of exchange that has been evolved by our fathers, and still is being further evolved by the community at

large. It would mean that there would no longer be the paying of huge sums to morgan bankers for that which is already our own and always has been our own. It would mean that the discount business would be ended. It would mean that there would no longer be any pretense of loaning where nothing is being loaned, where there is nothing to loan and where no loaning is necessary.

At present a merchant or manufacturer goes to a bank "for a line of credit." He already has the credit. If he has not, then he might save himself the trouble of going to the bank. He has credit in goods, machinery, material or prospects, singly or in combination. In order to go to the banker he must first have quick assets, that is, he must have assets that can be disposed of quickly for money when his note matures, if not taken up by him at once. This is the credit he must have to trade on; that is the credit the banker does business on. This merchant or manufacturer gives his note to the banker, say for $10,000.00 for three months. The morgan banker knows that Mr. M. is perfectly "good" for that amount, or he turns to his mercantile agency reports and ascertains that fact, with no more brain work than it takes to open a dictionary to ascertain the meaning of a word.

The banker then takes up a printed discount table, on which he finds the amount of the discount all computed for him ready at hand, or he presses a button or two on a little machine and the machine tells him the exact amount of the discount, subtracts it from the face of the note and gives the remainder in plain figures.

Assume that the morgan banker is moderate and shaves off only the amount given by a strict discount, leaving the proceeds of the note $9,850.00. The morgan banker does not hand over to Mr. M. $9,850.00 in cash. The morgan banker would not want that. That would not be banking. The public believes, however, that the transaction amounts

to that in substance. But it does not. What the morgan banker does is to write into the pass book of Mr. Merchant or Manufacturer credit of $9,850.00 and make out a slip directing the book-keeper to write into the ledger a similar credit for Mr. M., and he calls Mr. M.'s attention to the rule of the bank that the account must not be drawn lower than $500.00. Mr. M. may think that he has received a loan. But he has not. He has now, it is true, something which is just as good as a loan, in fact better than a loan, because in a safer and more convenient form. Mr. Merchant or Manufacturer returns to his shop or factory and in the course of his business draws checks. By the time the three months are up, if the average is preserved, there will not have been actually paid out any more than $492.50 by the bank, all told, on this so-called loan. Nor will even this small amount have been paid out at one time, or have remained out of the bank for any considerable time. For be it remembered that some of the checks given by Mr. M. are again deposited by the payee in the same bank. Of the proportion so applied we have no direct or exact means of knowing. We have been told only about the clearing house swapping and that in these it takes less than five per cent to adjust balances in money. Be it also remembered that if any of this account is drawn out of the bank in actual cash for pay-rolls, it is but a very few days before it is back in the bank again. Be it also remembered that Mr. M. is in business and is receiving checks and depositing them every day, and that the banker has the benefit of these checks also.

In view of all the circumstances it is fair to assume that the facts furnished by the United States Comptroller of the Currency, showing that less than five per cent of the banking transactions that go through the swapping house have to be adjusted in money payments, give a fair es-

timate of that which is called real money, that which actually changes hands in banking transactions.

We see from the foregoing that the morgan banker in the transaction gets $150.00 for a little simple book-keeping, plus the possible use of a small, unascertainable amount of cash, well within $492.50. If we assume that the actual expense to the banker for the operation of the system in this one transaction be $10.00, which is a fair estimate under present conditions and standards for an ordinary kind of routine work, then the remaining $140.00 represents interest that is paid for the use of less than $492.50 during a period of three months. If the whole of this $492.50 were continuously out of the bank during the three months, it would make the rate of interest amount to 113.7 per cent per annum. But if we strike an average, we shall find that the mean amount of money coming into actual use does not exceed one-half of the amount stated. That would make the rate of interest 227.4 per cent. Nor does the modicum of money so put into actual use to make good the "line of credit" belong to the morgan banker, as we have already seen. It is the money of his customers deposited with him. He pays a low rate of interest, four per cent and under for some of it. For much of it he pays nothing at all. It is simply the case again of the morgan baron of the feudal ages availing himself of the strength and substance of one set of serfs to fleece another set of serfs and vice versa, and upon occasion to beat down a rival.

The foregoing considerations, of course, do not include any consideration of the bonuses, etc., that otherwise might be taken by the banker in other ways, of which there is no authentic or approximately accurate information available. The extent of the banking business at the rates and under the conditions above set forth is enormous, and presents to us in the large banker the apotheosis of the morgan.

Study the statements of any typical American bank, which may be had on every hand, given out to advertise the bank, statements that very few read closely and scarcely any can understand because they do not take the time to study the true nature of banking. Take this one:

LIABILITIES.

Capital	$ 500,000.00
Surplus	500,000.00
Profits	68,380.24
Deposits	7,788,784.87
	$8,857,165.11

RESOURCES.

Bank building	$ 300,000.00
U. S. and other bonds	1,363,657.75
Time loans	4,164,971.09
Demand loans	1,574,580.16
Cash on hand and in banks	1,453,956.00
	$8,857,165.11

Here we start with what the bank calls capital of $500,000.00. Of this there is $300,000.00 invested in the bank building. That is a permanent investment made because it is well understood that that money will not be needed for direct use in the banking business. It will not be loaned out. The banking house is made as showy as might be, for advertising purposes.

Then we have the investment in United States and other bonds amounting to $1,363,675.75. This is also in the nature of a permanent investment, though not so much so as that of the building. We are not told how much is in other bonds. The former are very readily salable, and the latter we might assume are also such that can be sold in a fairly short time if need be. These represent an invest-

ment of money for which there is no immediate need and no probable need at any time in the banking business. The money is put into these as a readily liquidated investment so as to have it "earning something" and yet be available in fairly short order in case of a run or any other emergency.

The next investment we see is in "time loans" so-called on commercial paper, the "discounts." This is THE banking business, the big game, as it were. 95 per cent of this and over represents that portion of attributed values that is written from one account to another on the bank's books, from debits to credits, and from credits to debits on the individual ledgers of the bank. The other five per cent, we still allow, is the amount that sometimes leaves the bank and then soon comes back again, settling the differences arising in the swapping of checks. Most of them are known as the transactions "through the clearing house."

These time loans are included in the deposits set out in the bank's published statements, and, except there be a run on the bank, not more than five per cent of them leave the deposit accounts of one or another customer, or are made the basis of any demand for "cash." This, of course, remains true notwithstanding the writing back and forth from one account to another in the bank.

Next we have the so-called "demand loans." These also are mere entries on the books of the bank to be transferred back and forth—that is, to the extent of about 95 per cent of them. They differ from the time loans in being terminable, that is, payable on demand, and for that reason bring to the banker a little lower rate of toll called interest. These demand "loans" in actual practice run longer, however, than the time "loans" do.

The bankers, naturally, would rather have their ma-

chinery running to its full capacity on time "loans," that is, on commercial paper of 30 or 60 or 90 days, because the rates are higher. But as the capacity of this banking machinery is so enormous, the time "loan" business cannot fully occupy it without increasing very materially the danger of a run on the bank and likewise increasing the danger of augmenting very much the disastrous results of a possible run. So the banks take on a quantity of these demand "loans" and carry them on the books indefinitely. In case of a visitation of that one dread scourge, a "run," the demand 'borrowers" can be squeezed instanter. There is no waiting for their paper to mature. If the demand for payment is not complied with at once by a payment in cash, or by a check on some other account that can be charged with the amount, the securities are thrown upon the market and realized upon forthwith.

The proceeds of demand "loans" are also carried on the books of the banks as deposits, if not of the borrower then of the payees of the borrower, in the same manner as the proceeds of the time "loans" are. By deducting the sum of both "loans" from the remainder above given we shall find that the deposits in fact remaining are only $2,049,233.62. This then is the actual amount of the deposits. Add to that the $200,000.00 of the bank's capital not represented by the banking house and the $568,360.24 surplus profits not yet divided and we shall have $2,817,593.86. Of this sum there is invested in U. S. and other bonds the $1,363,657.75, leaving a balance of $1,453,956.11. How much of this there is in the bank we cannot tell because according to the statement part of it is in other banks. How much of it is serving the purpose of other banks in the same way does not appear. How much of it the depository bank has placed out on call loans we cannot tell.

Here is a statement of another bank. This one separates the figures of the cash it has on hand from those of the cash deposited in other banks.

RESOURCES.

Banking house and lot	$ 200,000.00
Bonds	2,252,831.00
Accrued interest	34,155.38
Loans	8,561,987.84
Overdrafts	472.52
Cash in other banks	1,264,457.24
Cash on hand	707,715.79
	$13,021,619.77

LIABILITIES.

Capital	$ 1,000,000.00
Surplus	1,000,000.00
Profits	500,911.36
Reserved for taxes	12,605.21
Resources for interest	36,578.12
Deposits	10,471,525.08
	$13,021,619.77

Here the nominal deposits amount to $10,471,525.08. This includes the proceeds resulting from the discounting of commercial paper. These proceeds are entered as representing deposits on the credit side of the accounts of the borrowing customers. They amount in the aggregate to $8,561,987.84. Deducting these sham deposits of money, we shall have as the actual deposits $1,909,537.24. Add to this the capital, surplus and unpaid profits of $2,500,911.36, and we shall have $4,410,448.60. When we deduct from this latter the sums invested in the banking house and in bonds and on deposit in other banks amounting to $3,717,288.24, there will remain $693,160.36. This is $14,555.43

less than the amount of cash in the statement because the statement sets out on the left as reserved for taxes and reserved for liabilities, together, $49,183.33. If then we deduct the amount of accrued interest on bonds, etc., appearing on the right, namely, $34,155.38, and also the overdraft of $472.52, also appearing on the left, we shall have the $14,555.43 difference accounted for. The net result is that this bank has $693,160.36 of other people's money on hand over and above all other liabilities to meet possible demands for legal tender that could amount to $10,471,525.08. In other words it holds in cash less than one fifteenth of its demand liabilities and does not really own that. I have omitted from the calculation the further gain that accrues to the banker from the rule that forbids the "borrower" to draw his account below a certain percentage.

On the strength of this arrangement a bank gets interest at discount rates on $8,561,987.84. If all this be at six per cent it means that this toll taken by the bank per year on a showing of $693,160.36 amount to $513,719.22. Interest computed on the amount actually held in the bank to meet demands on these discount credits at six per cent would be $41,589.62. If for our purpose we concede the taking of this latter amount of interest to be right, then we have the sum of $472,129.60 taken for the bookkeeping services performed by clerks. The bank does not pay any more than $20,000.00 a year for this work. If we further allow the bank a full 10 per cent on its building, we shall have a necessary expenditure under present conditions of say $40,000.00. For this the bank gets $472,129.60, an excess of $432,129.60, or 432 per cent. All of this profit rests on the blind belief instilled into the public that the banker is making business possible by lending money to the merchant and the manufacturer. Besides all this the investments in bonds and the money deposited with other banks, amounting to $3,517,288.24 are also drawing interest all the time.

We will analyze just one more bank's statement. Here is one taken from the report of the Superintendent of Banks of the State of New York for 1912. It sets out its

Stated deposits at	$4,507,923.00
Deducting loans and discounts	3,181,803.00
We have the actual deposits of	$1,326,120.00
Add to this the bank's capital	200,000.00
And its surplus	271,988.00
And we shall have	$1,798,108.00

Here are the investments:

Real estate	$ 11,600.00	
Stocks and bonds	134,934.00	
Public securities	301,697.00	
Other securities	42,500.00	
Deposited in other banks	1,047,127.00	
Other assets	5,250.00	
		$1,543,108.00
Leaving a balance of		$ 255.000.00

The published statement shows the amount of cash on hand including "cash items" as being $256,301.00 or $1,-301.00 more that the balance called for. This difference must be located in the item of "other assets $5,250.00" which cannot be analyzed.

Here then we have a bank carrying deposit credits to customers to the amount of $4,507,923.00 for the full amount of which legal tender money can be demanded at any moment. Yet experience has demonstrated that it is not necessary to carry any more than $256,301.00 to take care of that obligation. Less than one seventeenth of the demandable obligations of the bank is kept in the banker's till. This is less than six per cent. All the remaining

cash currency is "earning" a snug profit outside whilst within easy reach if at any time needed to head off that dreaded "run."

In other words, the bank is getting at least six per cent on $4,507,923.00 for keeping $256,301.00 in cash on hand. The computation gives us $270,475.38 "compensation," more than 104 per cent for this "service" alone.

The foregoing illustrations are of New York State banks.

The Comptroller of the Currency of the United States, in his report for 1912, tells us of 15,901 state banking institutions.

The stated deposits of these banks aggregate	$6,747,050,755.81
The "loans and discounts" are	5,390,349,187.21
Leaving actual deposits	$1,356,701,568.60
Of this the cash on hand was	531,358,592.12
Leaving to be accounted for	$ 825,342,976.48

This $825,342,976.48 together with the "capital" not invested in real estate and furniture, and the surplus, etc., is all invested in interest paying securities. We see here that with an amount of cash on hand amounting to $531,358,592.18 these state banks hold up against demand obligations assumed by them amounting in the aggregate to $5,921,707,779.33. These figures show that the average amount of cash that the state commercial banks carry to meet their cash demand obligations is something less than nine per cent. From what we have seen this is a perfectly safe margin under ordinary conditions. In fact, under ordinary conditions six per cent would be safe. Thus it appears that the average rate of interest on business "loans" drawn by the state banks of the country is between 11 and 12 times greater than is generally supposed.

As to the business of the national banks, the United States Comptroller gives us these figures in his report for 1912:

Deposits:		
Individual		$5,891,670,007.00
U. S. Postal		47,259,053.42
U. S. Disbursing		11,968,274.98
		$5,950,897,335.40
Loans and discounts	$6,040,841,270.81	
Overdrafts	20,168,074.45	
	$6,061,009,345.26	
Deduct the outstanding national bank notes, as these are loans, amounting to	$ 713,823,118.00	
Balance of "loans" and discounts		$5,347,186,227.26
Excess of deposits over "loans"		$ 603,711,108.14

The report tells us that the amount of cash held on hand by the national banks on the same day, September 4th, 1912, was $895,951,094.00. This means that these banks were on the day stated holding cash to the extent of about 15 per cent of their demand liabilities. The national laws on banking are responsible for the fact that the national banks are carrying so much more cash to support their liabilities than the state banks generally find it necessary to carry.

The development of the banking business has brought it about that the resulting disadvantage to the national banks is not offset any more by the right of the national banks to issue bank notes guaranteed by the government. The profits made by the issuing of these notes are very small compared to the profits derivable from interest on "loans" that to the extent of 95 per cent are not loans at all, but are simply book entries. Hence the recent legislation at

Washington changing the national banking law. It is usually spoken of as the "currency legislation" or the "money legislation" in the newspapers. The fault with those designations is that they put the accent in the wrong place. The principal and by far the most important object attained by that legislation will be the reorganization of the national banking system in such a way that the national banks will not be required under the law to carry so large an amount of cash as heretofore to hold up their book credits called 'loans" against the possibility of that dreaded "run." It would not have been wise to have insisted upon an abrogation of the existing legal requirement as to reserves. That would have provoked a general public discussion of the whole science of banking; and that would have thrown the fat into the fire. The principal objects that will be attained by the law recently enacted are two. One is the centralization of the national banks in such a way that each bank may maintain its individuality and prestige as a national bank, and at the same time have certain centers or stations, to be called regional banks, where by the contribution of a relatively small amount of cash by each bank a sufficient supply of money in the aggregate may be maintained to relieve any individual bank by despatching money to it on a rediscount of its paper whenever it is threatened with a run. This is called mobilizing assets. It will also enable the banks to extend the check exchanging or swapping system by the establishment of regional and national clearing houses. The features of this legislation that were talked of the most were entirely secondary and subsidiary. These secondary and subsidiary features were discussed most learnedly and in strange terms. They furnished the means to keep the public mind in a whirl on the whole subject of banking. Practically nobody outside of a few leaders understood the subject.

The national banker could not operate his mill to its full

capacity, even when he could get the customers. It would have been too dangerous in case confidence had been shaken and all persons holding credits on the bank's books had demanded that they be paid their demands in money. In other words, when large numbers called upon the banker to perform his contract to furnish money on demand to the full extent of their claims, things became shaky for the banker. He thrives like the bay tree when he is not called upon to perform his contract. When however he is much called upon to perform his contract, things are bad, everything is threatened with destruction. Panic ensues.

The increase in the volume of this business of granting "loans and discounts" by crediting them on the banks' books to be written back and forth has been tremendous. It has exceeded in an astonishing degree the rate at which the stated wealth of the nation, or the business of the nation has increased. We are able to draw some interesting information from the official figures on this subject. The Department of Commerce and Labor tells us that in 1870 the entire wealth of the United States was $30,068,518,000, and that in 1904, the latest figures available at this writing, it was $107,104,211,917. That is, it was multiplied by a little more than three and one-half. During the same period the bank "loan" and discount business increased from $719,300,000 in 1870, to $7,982,000,000 in 1904. It was multiplied by 11.

The figures available tell us that all the farm property in the United States, real and personal, in 1890 was worth $16,082,000,000 and that in 1910 it was worth $40,991,000,000. It was multiplied by about two and a half. During that same period, the "loan" and discount business of the banks increased from $3,842,200,000 in 1890 to $12,521,800,000 in 1910. It was multiplied by three and a quarter.

The available figures show us that the manufactures in the United States increased from $11,406,927,000 in 1899

to $20,672,052.00 in 1909, an increase of 8.1 per cent. During the same period the "loan" and discount business of the banks increased from $5,177,600,000.00 to $11,373,200,000.00, an increase of 119.6 per cent.

The figures of the Interstate Commerce Commission tell us that the total operating revenues and income of all the railroads in the United States for the year 1894 amounted to $1,098,807,291.00 and in 1910 $2,829,109,462.00, an increase of 157.48 per cent. During the same period the "loan" and discount business of the banks increased from $4,085,000,000.00 to $12,521,800,000.00, or an increase of 306.53 per cent.

The figures furnished by the Geological Survey, Department of the Interior, tell us that the production of anthracite coal in 1871 was 20,807,851 tons, and 75,433,246 tons in 1911 an increase of 54,625,395 tons, or 262.5 per cent; and the production of bituminous coal increased from 26,848,751 tons to 372,420,663 tons, an increase of 345,571,912 or 1286 per cent; that the production of pig iron increased from 2,188,526 tons in 1871 to 27,303,567 tons in 1911, an increase of 25,115,041 or 1147.5 per cent. Yet during this same period of time the "loan" and discount business of the banker increased from $789,400,000 to $13,046,400,000, or by $12,257,000,000. This is an increase of 1552.69 per cent.

CHAPTER XX.

THE MORGAN'S CRIMP REFORMS—CHARITY AND EFFICIENCY.

The morgan does not like to have any fuss made about his game of "heads I win and tails you lose." It makes him nervous. That game is the law of his life and the order of his being. Therefore he is strong for law and order. It is his state, his law and his order that he is for and that must be maintained at all hazards. To him every effort to search into the inherent nature of his monstrous structure betrays the lawless mind. To discuss the wickedness of morganism is to foment strife and disorder! Prosecuting and persecuting these lawless minds and wicked fomenters, though most laudable, is not enough. Their influence must be counteracted. And their influence is most widespread.

Every gentile outburst for self preservation, every turn of the worm, every noble impulse of the ignoble starveling for some collective improvement, be it ever so pure, native and unsophisticated—to say nothing of that horror of all horrors, when the toothless worm tries to bite the iron heel—is at once ascribed to the hellish machinations of the lawless mind of the agitator and fomenter of strife. Of course, it is not expected or believed by the morgan or his panders that a vestige of the natural spirit of self preservation remains or could remain in the gentile after his long and careful training through the pulpit, the bench, the bar and the press. The constantly recurring expressions of resentment and protest, no matter how vague, unlearned, undefined or, albeit unsophisticated, or from unexpected quarters or upon the

most inopportune occasions, furnish many painful surprises to the morgan, after all that he has done. He can not believe that there is so much ingratitude in the gentile heart. He actually believes that he gave and is giving the gentiles their only chance to live, that without him the gentiles could neither breathe air nor enjoy sunshine.

To the morgan's mind the spirit of rebellion is not and should not be natural to the gentile's mind or heart. The morgan thinks it all attributable to the aforementioned lawless mind and fomenter of strife. To the morgan's mind, the lawless agitator and disturber plays upon the sufferings of the unfortunate, stirs up the passions of sympathy of the competent gentiles for the incompetent, creates an artificial fellow feeling in the hearts of the virtuous and strong for the world's weak refuse. The inherent feeling of resentment against constant oppression and exploitation that bursts forth here and there and everywhere, and that, like Banquo's ghost, will not down, does not, cannot exist for the morgan's mind. To him, all of this is the work, the consciously planned work, the subtle work of the agitator. What a wonderful, what a marvelous mind and spirit this agitator must have! The old Satan no longer prowls about the earth seeking souls to drag to hell. The modern factory system has chained him more effectually than he was ever chained before.

To the mind of the morgan, that growing spirit of unrest, that saving inherent excellence of human nature, is a new Satan. This inherent excellence, the morgan and his panders also personify, as they personified their deity and their devils. They paint it black as pitch and call it the agitator with the lawless mind and disorderly career. The morgan, who used to be most concerned about saving the souls of the gentiles from the wiles of that Satan who smells of sulphur and brimstone and fire, has now a growing concern in the new danger, that

modern Satan who consumes midnight oil and smells of books. So the morgan dons the mufti of reform. His immense pile of ill-gotten wealth is pointed to by his dupes and panders, as proof positive, both of his good faith and his high comprehension. With great parade of learning, two bracers are presented by him. The one is charity and the other efficiency. The one is a little salve rubbed upon the open sore which it cannot heal, and the other is a hope-inspiring promise that things will be better by and by. The salve of charity makes the recipient more abject and broken in spirit than before. It makes him confess and even realize an inferiority that does not exist. It makes him accept with resignation and even thankfulness the monstrous conditions that are purely the result of false and artificial teachings. Like bad advice, it makes the innocent and worthy confess the commission of crimes that they never committed. It smears virtue and nobleness of character with the pitch of indolence, incontinence and criminal propensity, and invests greed and ravenous cupidity with the ascension robe of an archangel. I cannot hope to set forth all of the ways in which charity further enslaves the gentile, mind and body. I shall have to leave it to some Carlyle to draw the indictment of this much lauded bawd called charity.

Charity affords to the morgan a most valuable additional support in his overlordship. His so-called charitable donations are only cheap premiums paid by him for insurance. In that circle where gamblers' ethics hold sway, the gambler is considered a very decent fellow who tosses back to his victim enough to buy a drink and pay his car fare home, after stripping him of his week's wages. So the morgan gets the reputation for philanthropy by giving back in about the same way what amounts to a sneering trifle from the pile of plunder that he has heaped up by his depredations. His philanthropic parade is to him a

necessary and legitimate expense of the business. It is cheaper than maintaining armies. All told, it amounts to a shrewd and safe investment. Not only the organizations through which the morgan's charity is placed, but also the principle of his charity itself, is based upon and cannot be maintained without the poverty that results from the expropriation and exploitation of the gentile by the morgan. The morgan makes paupers so as to parade as philanthropist. His so-called philanthropy then entrenches him so that he can go on exploiting mankind the more, and produce more pauperism.

As to the efficiency schemes, these are, if possible, even worse than the charities. There can be no valid objection to a higher degree of efficiency in itself. On the contrary, it is in and of itself quite desirable, and would be welcome if the worker obtained the additional value that he produces because of his higher efficiency. But such is not and cannot be the case under the morgan's regime. The measure of the worker's allowance is the amount necessary for him to live upon in his station of life and to reproduce his kind. It always seeks, as it were, that level. As the worker's ability advances to manage with less, he gets less, and the morgan gets constantly the more. This applies to all gentiles. Every saving and every economy learned and applied by the gentile, inures sooner or later to the greater substantial aggrandizement of the morgan, by simply causing to grow larger the amount of surplus that flows to the morgan's coffers. In fact, as we have seen, the worker is compelled from time to time to wage destructive and costly warfare against being forced below the line before he has learned to manage on the still more greatly reduced allowance that the morgan is relentlessly trying to force him down to. In other words, the gentile is never learning to save and economize fast enough to

suit the morgan. Hence the frequent recurrence of industrial warfare.

There is nothing more astonishing than the persistency with which the morgan pretends to hang on to the ancient and exploded notion and theory that without changing our economic system, an increase of the worker's output will in itself improve the economic condition of the gentile masses. One would almost think that the morgan is wilful in his dogged blindness and deafness as to this theory of his. But the morgan in his true nature is a beast of prey. He is a gamester. There is no one so stupid as a cheat when taken outside of his game or when facing opposition to his game. The cheat must always have the easily subjected and unsophisticated mind to deal with, the mind that is always prone to fall in on the other fellow's game.

The questioning, doubting and suspicious mind is not prone to fall in on the other fellow's game, and always portends disaster to the cheat. The cheat is always nonplussed when his game is exposed. He always fights in avoidance of the attack, he never meets it. He will flash his showy jewelry and his dim witticisms and make great parade of his respectability, or if needs be, fume with indignation at the "slanderous insinuation and aspersion cast upon an honest man." Having driven off the enemy either with horse laughter or with brickbats, the morgan proceeds to do business with those who wish to do business. He shows them how they can gain great things by playing his game, by accepting his imposed conditions.

These conditions he admits seem most exacting, but progress is the order of the day, he says, and the survival of the fittest—under these conditions imposed by him—is the law of nature. Order and law is his forte. Those that are "too weak" to meet these conditions are the unfit that must succumb, they are the unfortunate, the poor that

are always with us! These poor subsist a little while on charity, or in prison, and then pass out unwept, unhonored and unsung. That's the way nature has of sloughing off the undesired. The morgan and his panders prate most sagely of human nature, and of nature's laws as the morgan has them interpreted, and of human law and order as his wealth and power has dictated them.

The morgan and those in the service of his holy cause point to the glittering cheap prizes drawn in the prize-packages dearly bought from him with back-breaking labor. Of those who went away empty handed or with the ordinary prize-package brass button, and of the crushed and broken ones, thrown out upon the scrap heap of humanity, a discreet silence is maintained.

To supply the ever growing demand of the morgan in the business of raising false hopes that things will be better by and by, there has grown up within recent times a useful new profession of efficiency engineering. Organization and management for efficiency has been made a special science. It is already adding immensely to the output of human effort in the industries, and its possibilities are beyond conjecture. Votaries of this new science lay themselves open however to adverse criticism by pretending that their science furnishes a solution of the social question. They fall into the error that previous inventors and students fell into, of supposing that increased productive capacity spells an increased distribution of resulting benefits. History proves that no greater fallacy was ever evolved. When these scientists stick to their special line, and things pertaining to it, they do well enough. But whenever they enter the domain of the political economist and sociologist they become hopelessly lost. They are likely to think that because they have a masterly grasp of one science, they necessarily, without further equipment, must be capable to settle off-hand all other questions in

all other departments of learning. So they rush in everywhere and thrash aimlessly about. They, like other workers, sell their labor power to the morgan. If they would only let it go at that; if they would only not feel called upon to break a lance in defense of the morgan's monstrous institution of private property, they would not render themselves proper subjects of the contempt and ridicule of students.

Mr. Frederick Winslow Taylor has had great success as an efficiency expert. He has perhaps been the one most conspicuously before the general public as a teacher and lecturer. Of late he has been somewhat of a lecturer before morgan-minded clubs and congregations on his methods of solving the social problem by means of higher productive efficiency. He has also written a book called "The Principles of Scientific Management." The opening sentence of the first chapter is: "The principal object of management should be to secure the maximum prosperity for the employer, coupled with the maximum prosperity for each employe." Mr. Taylor proposes to attain this end by training and developing each individual worker so that he can (at his fastest pace and with the maximum of efficiency) do the highest class of work for which his abilities fit him, and "to induce him to use his best efforts, his hardest work, all his traditional knowledge, his skill, his ingenuity, and his good will to yield the largest possible return to his employer." Mr. Taylor gives many instances in which this object was most successfully attained under his direction and management. I mean attained for the morgan. He tells how 75 men under him were receiving $1.15 a day each for handling 12½ long tons of pig iron. Then he instituted his reform. He started by picking out a most ox-like Pennsylvania Dutchman. This piece of stunted mentality was flattered with special attention, called a high-priced man that should not be working for a meagre

$1.15 per day, and so gotten to do task-work under a man with a stop watch. He picked up a pig of iron when told to, walked when told to, dropped the iron when told to, returned to the pile when told to, "rested" when told to; and so worked the day through, loading 47 long tons of pig iron from the ground into railroad cars. At $1.15 for 12½ tons, the loading of 47 tons would cost $4.32 a load. Under Mr. Taylor's method of higher efficiency it cost only $1.85, an additional profit of $2.47 for the morgan, as compared to the 70 cents more that the pig-iron handler got. One thing naturally follows from the introduction of this great reform of Mr. Taylor's, and that is that a given amount of pig iron could be handled by one-fourth the number of men formerly required. This rendered so much keener the competition among pig-iron men for a living, and the men less fit to fill the new requirements would naturally be "weeded out." The scientific reformer says on page 61 of his book that only one out of every eight of his 75 original pig-iron handlers were capable of handling 47½ tons of pig iron per day. The man that could work the whole day under a driver with watch in hand, this reformer himself says in this book had to be, and invariably was, as stupid as an ox. Mr. Taylor might have added that such men were kept as stupid as oxen by their work.

The next great instance of solving the social question that Mr. Taylor gives, relates to shoveling, and is the laborious result of thousands of stop-watch observations. Under the system evolved by Mr. Taylor, the number of laborers employed by one institution was reduced from about 600 to about 140. The average number of tons of material handled by each man per day was raised from 16 to 59. The average daily pay of each man that survived on the job was raised from $1.15 to $1.88. The average cost of handling a ton of 2240 pounds was reduced from

72 cents to 33 cents. In other words, a man formerly got $1.15 for moving 16 tons. Now he gets $1.88 for moving 59 tons. Under the old system the handling of 59 tons cost $4.28. Had the wages remained the same, the new additional profit would have been $3.13. But the laborer had to be given something more to keep him going at the higher pace and place in society to which he was lifted for the time being. Seventy-three cents is the measure of his lift. That is less than one-fourth of the additional value that his labor now produces. The morgan gets a raise of $2.40 per day on each laborer, or more than three-fourths of the new gain. The increase of the surplus profit flowing to the morgan by reason of this one reform for the year amounted at one plant to $36,417.69. But Mr. Taylor seemingly does not consider the sufferings and privations of the 460 men that were weeded out by the process, or of their wives and children.

Mr. Taylor devotes many pages of his book to the ingenious manner in which the efficiency of children inspecting steel bearing-balls was so increased that thirty-five girls did the work formerly done by 120, and raised the accuracy of the work 66 per cent. The value produced by these girls was thus increased 343 per cent. Of this they got about one-fourth. Their pay was raised from 80 to 100 per cent. The rest of the increase went to the morgan's coffers.

Again, Mr. Taylor tells how he went into a factory and by the use of stop-watch, slide rules, close scientific observations, careful computation, co-ordination, changing of tools and the material of which tools are made, succeeded in speeding up the machines. The minimum acceleration was two and a half times the former speed. The maximum acceleration was as much as nine times. He says that within three years the output in this factory had in this way been more than doubled per machine and per

man, and that on an average the wages of the men was increased about 35 per cent, whilst the sum total of the wages for a given amount of work was lower. Now the effect of this was to increase greatly the amount of value produced within the same length of time by each man. Mr. Taylor does not say how much this increase was, but says it was more than 100 per cent. That is quite evident when we are told that the speeding up was from two and a half to nine times the former speed. Mr. Taylor should have been more definite in this, since he is posing as a political economist and sociologist as well as a scientific organizer. He tries, however, to be precise in telling us that the average increase in the earnings of the workmen was about 35 per cent. Now that is about one-third of the increase in value that the worker gives to the morgan at the very minimum of that increase, as we are informed by Mr. Taylor. In other words, for every thirty-five cents increase that the worker gets in his pay envelope, he gives the morgan an increase of more than a dollar. How much more, we are not told and therefore are left to infer for ourselves. Of course it is true that the efficiency engineer contributes to the resulting increase in output. We are not told how much the efficiency engineer gets of the value that he so produces, but it is safe to say that it is a very small proportion.

Mr. Taylor's excellent work is that of substituting scientific method and management in the place of rule-o'-thumb lack of method, and mismanagement. His work belongs in the same classification as that of an inventor or improver of a machine. Mr. Taylor could have stayed where he belongs and been content to enjoy his laurels. But no, he must go forth and seek new worlds to conquer. He enters the world of political economy. For that world he is as unsuited as would be his stolid, ox-like pig-iron

handler. Worse than that even, Mr. Taylor has been rendered even more unfit by his previous activities and experiences. He seems not to know that he is trying to cajole students with the same sort of chaff that produced such good results with his ox-like Pennsylvania Dutchman at the pile of pig iron. So Mr. Taylor goes right up to the question of "a fair division between the employer and the workman," and he cites the case of the pig-iron handler, and admits that it does not look fair. Here he is in deep water before he knows it. All in a sputter, he delivers himself of the most ordinary impossibilities of the shallow-pated and superficial newspaper writer, who for a pittance a week tries to hold the moon with his teeth. He tells us that this appearance of unfairness is an illusion merely; that it is not unfair at all; that the morgan does not get it, but that the consuming public gets the benefit. He gives us no intimation of what he means by "the consuming public" as distinguished from the mass of workers and their employers. He does not seem to know that a great part of the consuming public consists of wage workers in some form or another; nor ever to have been informed that the purchasing power of the individual worker has for a long time been steadily declining; or that pensioners and persons living on fixed incomes have for a long time been finding it constantly and increasingly more difficult to live on their allowances. He does not seem ever to have understood that the constantly increasing cost of living denies the claim that the consuming public gets the benefit of the improvements in production that result from science.

Mr. Taylor seems to be innocent of all understanding of the position in society of the gentile class in its three orders, or of their expropriation and its results. His "consuming public" is the morgan class.

Mr. Taylor as a scientist is only one of a type of minds

that seem to think that because they must take their working ability to the one market we now have, namely, the market of the morgan, therefore they owe allegiance to the morgan in all things; belong body and soul to the morgan, and must at all times and upon all occasions defend and support the morgan's scheme of exploitation and must even go outside of their work and beyond their depth and understanding to win favor. But the morgan himself does not know any better. The kind of learned misfit odds and ends so served up serves his purpose. So 'twill do most excellently.

I have before me a booklet of instruction for managers of stores and of departments in department stores. It is used extensively as a guide and sets forth in the most native and unaffected simplicity the morgan's profit-taking point of view and economic analysis. It is in fact a splendid presentation of the profit-taking propensity. It makes a special plea to managers to bring about the largest return of profits possible. It points out that the salesmen and saleswomen must sell, at prices 50 per cent above cost, not less than twenty times as much as their respective wages amount to in order to "earn" their wages. This must be the average the whole year round. The bases for the gradations of wages are set forth at length. The clerk that gets $4.00 a week must sell at least $80.00 worth of goods a week; when he gets $5.00 he must sell at least $100.00 worth; when he gets $6.00 he must sell at least $120.00 worth a week; when he gets $7.50 he must sell at least $150.00 worth a week; when he gets $10.00 he must sell at least $200.00 worth; when he gets $12.50 he must sell at least $250.00 worth; and when he gets $15.00 a week, he or she must sell at least $300.00 worth of goods each week.

At the lowest compensation stated, the beginner sells $80.00 worth of goods a week. The 50 per cent advance

on cost gives $26.66 gross profits. The wages are $4.00, the other expenses of doing business are computed to be $9.33. This leaves a net profit of $13.33. Here we see that the clerk's efforts brought in a gain, over and above the other expenses of doing business, amounting to $17.33. Of this the clerk gets something less than one-fourth. One-fourth would amount to $4.33, but the morgan keeps the 33 cents, to encourage the clerk to do better.

The next week this clerk sells $100.00 worth and gets his $1.00 raise of salary, we will say. The gross profits now amount to $33.33. Deducting the expenses of doing business, except as to this clerk's pay, $9.33, we have $24.00 left for the clerk and the morgan. This is $6.67 more than the measure of their prosperity for the week before amounted to. Of this $24.00 the clerk gets $5.00, which is one-fifth, and 20 cents besides, generously thrown in by the morgan as an expression of his appreciation. The clerk's raise of $1.00 is less than one-sixth of the raise that the clerk's increased efficiency gave to the gracious morgan. Hence the appreciation. The morgan gets the other $5.67.

Here we see the rate of progress achieved as a reward of faithful services. The young woman who enters upon such employment does not as a rule expect to make that her life work. She accepts the position in the hope that it will not be necessary to pursue that kind of work for any considerable length of time. She hopes to escape by getting married.

But with the young man it is different. Marriage does not offer to him an avenue of escape, except in rare cases. Nor does he see any other way to escape. So he begins a wearisome climb in the hope of becoming a high-class salesman on the pay roll of the department store syndicate at $15.00 a week. He diligently acquires all of the sneaking arts of the underling tradesman. Manhood is de-

based, character broken, and servility is stamped upon every one of his features. Many a week his record of sales falls just a little below the figures that would bring to him the coveted raise. When he succeeds, the increase at best amounts only to one-fifth of the increase in profits that his higher degree of efficiency has produced. Sometimes his portion is only one-seventh of that enhancement of profits that he has brought about.

Despite the flood of books and swarm of experts we have not all the facts. It is not the desire of the morgan that we have all the facts, and the influence of his interests has the facts held back from us as much as possible. But from the information that we have, it is easy to understand how it is and why it is that the morgan is growing huger all the time.

CHAPTER XXI.

THE CLAIM THAT CONDITIONS ARE IMPROVING.

Whenever the morgan as preceptor, and has panders, are hard pressed for argument they invariably assert that they have been doing a great deal for "our workingmen," studying their problems; and they urge that they cannot accomplish everything at once as an excuse for conditions as they are. They claim credit for giving the worker a great deal more than he used to get. They claim that they are raising wages all the time; that they are constantly doing things to improve the worker's condition, his health, his comfort, his education, and to increase his happiness. Then with swelling chest they point to what the worker has today that his great-grandfather did not have.

The fact is that the morgan has not moderated or given up a particle to the worker or to any order of the gentile class whatever. On the contrary, he has been growing more resourceful in his perverseness.

If sore eyes are not as prevalent now as they were a few generations ago; if faces pitted with small-pox are less frequent; if yellow fever and cholera have come to be less of a scourge and dread to the worker and to mankind; if scarlet fever, diphtheria and other diseases of childhood carry off a somewhat smaller percentage of the worker's children; if there is a little less of malaria with its accompanying ills, no thanks are due to the morgan. It is not because of him, but in spite of him. It is because the workers in the sciences of medicine, hygiene and sanitation have been untiring in their fields of labor to improve and lift the health of the human race; it is because the

line of workers in the building trades, from the architects to the plumbers, have been indefatigable in their labors to render the dwelling places less vile and unhealthy; it is because the workers engaged in what is called public works, from the civil engineer to the digger in the ditch, have all been doing as much as they were permitted to do under the morgan regime to bring about more healthful conditions. If the worker's teeth do not decay quite so fast as they used to and thereby affect his health also, it is not because of anything the morgan has done or caused to be done. It is simply because workers have studied and to that extent developed the science of dentistry for the benefit of the human race. If the food that the worker gets contains a little less of the morgan's adulterants for profit, or is a little less diseased, or a little less putrid, it is not at all because the morgan has turned saint. It is wholly because the workers in food chemistry have been so unremitting in the work of exposing the boldness, baldness and eventual unprofitableness of these frauds and their damaging effect upon the general health and working ability of the worker that even the morgan's state has been constrained to concede some little relief for the sake of health and profit-producing work, so that the supply of efficient workers might not be seriously impaired. If the houses of the workers seem any less miserable than they used to be it is not owing to any consideration in that respect by the morgan. It is because the worker's greater ability and better methods in preparing material and erecting houses makes better houses more profitable as permanent investments to draw from the worker, in the form of interest or rent, more of that part of his allowance which he formerly needed in larger volume in other ways. In other words, just as sure as one drain on the worker's wages is diminished the morgan's system opens up and multiplies other drains.

The manufacture of household utilities, designed, invented and made by the worker has been a source of great profit to the morgan under his system of manufacturing and selling for profit. But no material benefit therefrom has accrued to the worker as a worker. He is not receiving one jot more of the value that he produces. But quite to the contrary, he is receiving less and less of it all the time. All of the things that the worker has now that his ancestors did not enjoy have been and are produced by the worker and come to him because they contain less value in spite of their greater utility. They are cheaper and yield much larger profits to the morgan. The cook stove affords a much cheaper method of cooking food than the old style hearth, and the better the cook stove the greater the saving that results from its use. The sewing machine in the home is a great source of revenue to the morgan, parading as manufacturer and seller, as well as a great utilizer and economizer of the worker's domestic resources. It also furnishes the morgan with much greater profits in his ready made clothes factories and shops. If the worker should get what seems to the morgan more cotton goods than his ancestors got of coarse linen and hempen, it is because cotton is cheaper and the more of it that is used within the morgan's restrictions, the more profits the morgan gets. The worker invented, made and perfected all of the machinery and mills, and he raises the cotton and makes the cloth so much cheaper and in such larger quantities that the morgan could not use it all, or even destroy it by his own efforts, so he reaps a greater profit from it because it is cheap and the worker needs it for use.

If the worker today may eat wheaten bread instead of the bitter acorns that constituted the staff of life of his ancestors in Europe he need not thank the morgan for the change. Before the workers had developed agriculture

the titled morgan's lands were covered with extensive forests, consisting in great part of oak trees. The morgan, then as now, took all the tid-bits for himself and favorites, and made the workers live on mast—that is, the bitter acorns and beechnuts—and strange as it may seem, our forefathers developed quite a fondness for that diet. Of course, the morgan told them that that was the most wholesome of foods for them. The morgan was rich, and what he said must be true, they thought. So our simple-minded ancestors crossed themselves, blessed the morgan and were profoundly grateful to him for acorns to eat laden with tannin. As agriculture advanced and the forests gave way to fields cultivated by the worker, with the kind permission of the morgan, rye, oats and wheat became a cheaper article of diet and more plentiful than tannin-laden acorns and beechnuts. Yet the panders of the morgan want us to feel humbly thankful to their patron and master for graciously bringing about the change of diet.

We read that during the time of Charlemagne such things as lettuce, cress, endive, carrots, beets, turnips, onions, were only to be found in the emperor's kitchen-garden, to be eaten by the morgans of noble blood; that Catherine, one of the wives of Henry VIII, could not procure a salad for her dinner, as no potherbs were grown in England, and a gardener was brought over from Holland to start a kitchen-garden. Was it the gardener or was it the kind morgan in the guise of king that did the work? We also read that peas were unknown before 1550 when a French gardener developed and introduced them. It is not so long since our ancestors would not eat tomatoes, because these were believed to be poisonous, and it is more recently still that we have seen green peppers grow into favor in America as an article of diet.

How absurd and brazen for the morgan to claim credit

for the greater variety and wholesomeness of foodstuffs developed by the growing intelligence of the worker himself! We read that in colonial times the negro slaves in tidewater Virginia and Maryland were surfeited with diamond-back terrapin, and that in all the colonies shad in season was the principal diet of the negroes and the poor whites. Why? Because diamond-back terrapin and shad were so plentiful that they were the cheapest things the workers could be fed upon, and because these foods were so cheap that they did not appeal to the discriminating palate of the morgan.

Our common, ordinary working ancestors used to wear the skins of wild animals. Why? Because they were the cheapest article of clothing then procurable. When by reason of the inventive genius and acquired skill of the workers, woven fabrics afforded a much cheaper article of clothing, the worker got woven fabrics. The better qualities of furs are now scarce and are provided only for the morgan.

If the workday has in some few lines of industry become a little shorter it is not because the morgan contents himself with less surplus value. He does not. He invariably speeds up the machine to make up for the shortening of the day and thereby makes the work of production more intensive. If the worker can have an occasional trolley ride he is not in the least beholden to the morgan for it. The whole of the electrical equipment, cars and road, are the product of the worker's brain and brawn; and in order to have the price for these rides the worker must forego other things, and because of these additional facilities that the worker now has to go to and from his work, the morgan, besides getting the benefit of more of the worker's power gets larger profits from the worker for the use of lands and lodgings located farther from the factory.

If the worker may go to a moving picture show it is not because of the morgan's goodness of heart, or at his expense, either directly or indirectly. The worker has produced and developed the moving picture and can have a little diversion by means of it, only because it is much cheaper than the saloon or many other means that the worker was formerly compelled to resort to for a little much-needed relaxation. If the worker can have a newspaper it is because the worker has himself made the newspaper one of the cheap means of entertainment and to some extent a substitute for other and more expensive entertainments, and it is also to some extent because the morgan has himself helped to make the newspaper cheap to help his own profit-getting schemes by making it an advertising medium for his swindling bargain-counter enterprises.

The foregoing, it is true, are only generalities. The learned panders of the morgans will deny to us the right to indulge in generalities. They claim that right for themselves as their exclusive and special privilege and prerogative.

So let us now try to be as definite and specific as available data will permit. It is to be regretted that that data is not available in such abundance as it might well be. But that is not the fault of the worker. It is because the morgan's interests as expressed and enforced by and through his state has willed it otherwise. The morgan's interests dictate the laws and the policies of the government. But still there is sufficient to answer in a way our requirements.

The United States Census of 1890 showed that the average worker in the manufacturing industries of this country was receiving $442.82. The Census of 1900 tells us that these worker's wages went down to $437.48, or 1.6 per cent in the ten years. It will be remembered that we had a severe business depression which started in 1892.

Wages had dropped considerably lower than the figures given and were beginning to return to their former basis again when the census taker came along and found the wages back to within 1.6 per cent of what they were ten years before.

But these figures would be of very little service to us if we could not know what the worker's wages would buy for him. The United States Bureau of Labor Statistics in its Bulletin No. 113, gives us the relative prices of 15 articles of food, year by year, from 1890 to 1912. There was some fluctuation during the hard times that began in 1892. But by the time of the Census of 1900 retail prices had become firm again and had resumed their upward trend. Comparing the end of this ten-year period with the beginning we find that the retail price of sirloin steak advanced 5.1 per cent, round steak, 9.6 per cent; rib roast, 7.5 per cent; pork chops, 7 per cent; smoked bacon, 6.6 per cent; smoked ham, 2.2 per cent; hens, .5 of one per cent; lard declined 1.4 per cent; flour declined 14 per cent; corn meal declined 8 per cent; eggs declined 1 per cent; butter declined 1.6 per cent; potatoes declined 9.3 per cent; sugar declined 17.6 per cent, and milk declined 1.6 per cent.

For the remainder of the period covered by these reports the rise in the prices of the 15 articles of food has very few hesitations, and these are slight and of too short a duration to have any effect. The figures showing the wages of the worker also show a continuous rise, but by no means in keeping with the rise in the price of food stuffs. Wages are always falling farther and farther behind. It is clearly shown that as the worker advances in intelligence and ability to do more with the allowance of wages that he gets, those wages are reduced by the depression of their purchasing power. What possible dif-

ference in length can it make if the yard stick is shortened at one end or at the other?

The statistical abstract number 34, issued by the Department of Commerce and Labor, imparts the information that these wage workers in the year 1905 were receiving on an average $477.39, or an advance of 9 per cent over what they got five years before. Bulletin 113 shows that during these five years the 15 articles of food were advanced in their retail prices at rates of from 6.3 to 34 per cent. Sirloin steak advanced 6.3 per cent, round steak 12.9 per cent, rib roast 10 per cent, pork chops 19 per cent, smoked bacon 34 per cent, smoked ham 18.8 per cent, lard 19.7 per cent, hens 16.6 per cent, flour 24.7 per cent, corn meal 32 per cent, eggs 29 per cent, butter 10.6 per cent, potatoes 21 per cent, sugar .9 of one per cent, milk 8.7 per cent.

During the next period of five years, namely, down to 1910, the wages of these workers advanced to an average of $518.05 per year, or another 8.5 per cent. The advance made in the prices of foodstuffs this time were of amounts from 13.7 to 29.4 per cent. Sirloin steak advanced 13.7 per cent, round steak 16.4 per cent, rib roast 13 per cent, pork chops 28.9 per cent, smoked bacon, 27.4 per cent, smoked ham 19 per cent, lard 29.4 per cent, hens 20.8 per cent, flour 16.7 per cent, corn meal 17.6 per cent, eggs 18 per cent, butter 25 per cent, potatoes 12 per cent, milk 17.5 per cent, granulated sugar declined .4 of one per cent in price.

Figures are not available to show the wages received by these workers subsequent to the Census of 1910, and therefore cannot be brought into comparison with the prices of foodstuffs given in Bulletin 113 for the remainder of the time down to 1912 inclusive.

In the twenty years, average wages advanced in the manufacturing industries from $444.82 per year to $518.06,

an increase of $73.24, equal to 16.5 per cent. During the same period the rise in the retail prices of foodstuffs was as follows: Sirloin steak 27 per cent, round steak 43 per cent, rib roast 33.5 per cent, pork chops 56 per cent, smoked bacon 82.8 per cent, smoked ham 44.5 per cent, lard 52.8 per cent, hens 41.7 per cent, flour 25.3 per cent, corn meal 43.8 per cent, eggs 54 per cent, butter 35.9 per cent, potatoes 22.4 per cent, milk 25.7 per cent, whilst sugar declined 20.8 per cent.

In 1900 the salaried employes in the manufacturing industries were getting on an average of $1045.72 per year. In 1910 they got $1186.16. This was an increase of 13.43 per cent for the ten years, as compared with 40 per cent increase in the price of foodstuffs during the same period. Separate figures showing the compensation of salaried employes prior to 1900 are not available because intermingled with the salaries of officials and in that condition not of any service in this investigaton.

The figures here given, touching salaries of employes and wage workers, relate only to manufacturing industries, because these are so tabulated by the Department of Commerce and Labor. There is , however, another large and important contingent of which we may also have for our enlightenment some figures, albeit in another form. These refer to the railroad employes. The figures taken from the statistical reports of the Interstate Commerce Commission are printed in the Department of Commerce and Labor's abstract, and cover the period between 1892 and 1910 inclusive. There are no figures given for the years 1893, or 1895, but beginning with 1896 we have the figures for each year thereafter during the period.

In 1892 the average pay of the wage workers in the employ of the railroads of the country was $2.06 a day. In 1910 it had increased to $2.48 a day, showing an increase of 42 cents, or 20.4 per cent for the period. The

locomotive engineers received the highest pay and also got the highest raise, both in amount and in percentage. In 1892 they received an average of $3.68 per day. In 1910 their pay was $4.55, an advance of 87 cents per day, or 23.6 per cent, or 3.2 per cent more on the dollar than the average railroad wage workers got. Excluding the engineers the railroad workers got an average raise of 20 per cent during the period between 1892 and 1910.

Bulletin 113 of the United States Bureau of Labor Statistics gives a table of simple and weighted relative prices of the 15 food articles for each year from 1890 to December, 1912, taking the average prices for 1890-1899 as the standard for comparison and as the equivalent of 100.0. Here is the average for the United States:

Simple Average Relative Prices.		Relative prices weighted according to average consumption.	
Year.	Amount.	Year.	Amount.
1890	102.0	1890	101.9
1891	103.6	1891	103.4
1892	101.7	1892	101.6
1893	104.6	1893	104.1
1894	99.5	1894	99.2
1895	97.2	1895	97.1
1896	94.9	1896	95.2
1897	96.4	1897	96.7
1898	99.4	1898	99.7
1899	100.6	1899	100.8
1900	102.9	1900	103.0
1901	109.5	1901	108.5
1902	116.8	1902	114.6
1903	116.9	1903	114.7
1904	118.3	1904	116.2
1905	118.3	1905	116.4
1906	122.4	1906	120.3
1907	138.0	1907	125.9
1908	132.5	1908	130.1
1909	140.3	1909	137.2
1910	148.5	1910	144.1
1911	146.9	1911	143.0
1912	157.9	1912	154.2

The wages in the manufacturing industries are not stated for each year and we are therefore unable to consider their yearly changes. We are shown, however, that these wages declined from 1890 to 1900 to the extent of 1.6 per cent. The foregoing table shows that the difference in food prices advanced at the same time 1.1 per cent, notwithstanding the reduction in wages. During this period there was a great deal of fluctuation, owing to the "hard" times and the full and normal working of our system of society was so intricate and involved that we cannot follow it here without becoming tedious to no profit. We find that in 1905 wages in the manufacturing industries had risen 9 per cent above those of 1900, whilst the foregoing table tells us that the rise in the prices of necessary food stuffs was 13 per cent. By 1910 wages in these industries had gone up 8.5 per cent for the five years, and the necessary food stuffs 24 per cent. Taking the twenty year period, whilst these wages in 1910 were 16.4 per cent higher than in 1890, the price of food, averaged according to consumption, was 41 per cent higher.

A better understanding, however, can be had by showing the average wages of the railroad workers in dollars and cents as computed from the figures we have, in connection with the relative weighted prices of food according to the table. Here it follows:

In	1892	wages	were	2.06 —foodstuffs	101.6
In	1894	wages	were	2.025—foodstuffs	99.2
In	1896	wages	were	2.02 —foodstuffs	95.2
In	1897	wages	were	2.01 —foodstuffs	96.7
In	1898	wages	were	2.05 —foodstuffs	99.7
In	1899	wages	were	2.04 —foodstuffs	100.8
In	1900	wages	were	2.06 —foodstuffs	103.0
In	1901	wages	were	2.07 —foodstuffs	108.5
In	1902	wages	were	2.10 —foodstuffs	114.6
In	1903	wages	were	2.17 —foodstuffs	114.7
In	1904	wages	were	2.24 —foodstuffs	116.2
In	1905	wages	were	2.26 —foodstuffs	116.4

In	1906	wages	were	2.26 —foodstuffs	120.3
In	1907	wages	were	2.39 —foodstuffs	125.9
In	1908	wages	were	2.44 —foodstuffs	130.1
In	1909	wages	were	2.43 —foodstuffs	137.2
In	1910	wages	were	2.48 —foodstuffs	144.1

This shows an advance of 20.4 per cent in the average railroad men's wages in 18 years, and an advance of 41.8 per cent in the price of food stuffs during the same time. The wages of the railroad workers, exclusive of the locomotive engineers, advanced 20 per cent; that of the locomotive engineers advanced 23.6 per cent. Compared to the advance in price of the necessaries of life, even the advance of the locomotive engineer's wages has a lean and emaciated look.

The wage earner is constantly learning to manage with a little less. The morgan thereby constantly gets more and more surplus values. This squeezing process is not applied to the wage worker alone, but to every person who renders any service of value to society for the living that he or she gets.

If the true measure of the worker's wages is its purchasing power, then the wages of the workers have in truth declined, notwithstanding the showing made by the covinous money terms so well suited to dupe superficial observers.

If wages in the manufacturing industries had kept pace with the cost of living, they would have advanced 41.8 per cent during the period between 1890 and 1910. That would have been just keeping even. But these wages advanced only 16.4 per cent in money terms. This means that actual wages were reduced 17.4 per cent, through the depression of the purchasing power of the money tokens.

During the ten years intervening between 1900 and 1910, to which our data on salaried employes is restricted, these salaried employes in the manufacturing industries in like

manner suffered a reduction in their salaries amountng to 19 per cent.

The reduction suffered in like manner by the average railroad worker during the 18 years between 1892 and 1910, according to the figures furnished us by the Inter-State Commerce Commission, amounted to 15.5 per cent.

Our railroad data covers a period of 18 years, and relates to 16 classifications of work. In 1892 there were 815,311 persons employed by the railroads of the country, excluding officers, and 1,684,532 in 1910.

In 1892 the general office clerks employed by the railroads received $2.23 per day, and in 1910 they received $2.40, an increase of 17 cents, or 7.6 per cent in money terms. But as the retail price of the necessaries of life had advanced 41.8 per cent, these workers suffered an actual reduction of 24 per cent in their pay. During this period the pay of the station agents went from $1.82 to $2.12, a raise of 30 cents, or 17.5 per cent in their nominal wages, and an actual reduction in their real wages of 17 per cent. The pay of the other station men went from $1.68 to $1.84, a seeming increase of 16 cents, or 9.5 per cent, and an actual reduction of 22.7 per cent. The pay of the enginemen rose nominally from $3.68 to $4.55, being an increase in the figures of 87 cents, or 23.6 per cent, but an actual decrease in pay, amounting to 12.8 per cent. The firemen received $2.08 in 1892, and $2.74 in 1910, being 66 cents more, or a raise of 31.7 per cent in name, but an actual reduction of seven per cent in pay. The conductors received $3.08 in 1892 and $3.91 in 1910, an increase of 83 cents or 27 per cent in their pay envelopes, but an actual decrease of 10 per cent. The other trainmen received $1.90 in 1892 and $2.69 in 1910, a difference of 79 cents or 41.5 per cent. These are the only ones that did not suffer a substantial reduction. They came out nearly even. Their loss was less than three-tenths of one per cent. The machinists

received $2.29 in 1892, and $3.08 in 1910, an increase of 79 cents, or 35 per cent in appearance, but an actual reduction of 4.8 per cent. The carpenters in 1892 received $2.08 and in 1910 $2.51, a seeming advance of 43 cents or 20.7 per cent, but an actual reduction of 14.8 per cent. The other shopmen in 1893 received $1.72, and in 1910, $2.18, a seeming advance of 46 cents, or 26 per cent, but an actual reduction of 11 per cent. Section foremen received $1.76 in 1892 and $1.99 in 1910, a seeming increase of 23 cents, or 13 per cent, but an actual decrease of 20 per cent. Other trackmen received $1.22 in 1892 and $1.47 in 1910, a seeming advance of 25 cents or 20.5 per cent, but an actual reduction of 15 per cent. The switchtenders, crossing tenders and watchmen received $1.80 in 1892, and $1.69 in 1910, a reduction in their pay envelope of 11 cents a day, or 6.5 per cent during the 18 years, an actual reduction of 34 per cent. In 1892, telegraph operators and despatchers received $1.92, in 1910 $2.33, an increase in figures amounting to 41 cents, or 21 per cent, but an actual reduction of 14.7 per cent. In 1892 the "employes account floating equipment" received $2.03 and in 1910 $2.22, a seeming advance of 19 cents or nine per cent, but an actual reduction of 23 per cent. All the other employes and laborers, it is stated in the report of the commission, received $1.68 per day in 1892 and $2.01 in 1910, a seeming advance of 33 cents, or 20 per cent, but an actual reduction of 15 per cent.

Thus it appears from all of the data obtainable that the compensation of all the workers, with the single exception stated, underwent a continuous reduction through the period covered by the governmental reports. It also appears conclusively that all of the strikes, turmoils and industrial strifes, often bordering on civil war, did not succeed, in fact could not succeed, in raising real wages, namely, the purchasing power contained in the pay envelope. All that they accomplished and all that they could

accomplish, was forced compromises with aggression. Had it not been for the wresting of these compromises, there can be no doubt that the full amount of the reduction in the purchasing power of wages through the depression of the purchasing power of the worker's money tokens, would have been the full 29.44 per cent during the 20 years; in other words, the depression would have been to the full extent of the advance of the 41.8 per cent in the price of necessaries.

It is well to remember here that in expressing reductions and advances in percentages we are apt to lose sight of the important difference between the amount of a reduction and the amount of an advance, though expressed in the same sort of terms. Our means of expression in this respect is defective and deceptive. For instance, if we take an advance of 50 cents on one dollar, we shall have $1.50. That is an advance of 50 per cent. But if we deduct 50 cents from $1.50, the reduction is one of only 33 1-3 per cent, though we have only one dollar left. The amount involved is 50 cents each time, yet in the one case it is expressed as 50 per cent and in the other as 33 1-3 per cent.

A man who received one dollar a day in 1892 should have $1.418 per day in 1910 to keep even. If his wages remained at one dollar in 1910, he would be 41.8 cents short. Yet when we desire to express in terms of percentage the amount of the reduction in the purchasing power of his wages, we are compelled to say it was 29.47 per cent. His dollar will in 1910 buy only as much as he could buy for 70.53 cents in 1892. To give him this 29.47 cents more, that is, to advance him to $1.2947, would not place him where he was formerly, because the 29.47 cents would in 1910 buy only as much as 17.52 cents would buy in 1892, which would still be short of his dollar of 18 years before. Before he could be even, his dollar of 1892 would in 1910 have to be raised to $1.418. This would be an ad-

vance in his pay envelope of 41.8 cents on every dollar. If he does not get that amount, he will be the loser of 41.8 cents. Yet we are required to say that the reduction that he suffers amounts to 29.47 per cent.

The information afforded us by Bulletin 113, it is true, relates only to 15 of the necessaries of life. But we are justified in assuming that the advance in the average retail price of each one of the other necessaries of life was of equal proportion. Our common experience and observation bear this out.

This means that a carpenter working for a railroad in 1892 received $2.08 a day, the whole of which it is reasonable to assume he needed to provide himself and family with the necessaries of life. In 1910 these necessaries of life had advanced 41.8 per cent. This carpenter, therefore, in order to be in the same relative position needed $2.95 per day. Instead of that, he got only $2.51. He was therefore 44 cents short. Expressed in terms of percentage, the purchasing power of his wages was depressed 14.75 per cent, in spite of the specious rise in figures that took place during the 18 years.

Let us take one more example, namely, that of the locomotive engineers. They received $3.68 per day in 1892. As the necessaries of life advanced in price 41.8 per cent during the next 18 years, the wages of the locomotive engineers in 1910 ought to have been $5.22 per day, but instead of that we see that they received only $4.55. This is 67 cents less than they should have had to keep even. Therefore, the locomotive engineers suffered an actual reduction in the purchasing power of their wages amounting to 12.8 per cent during the 18 years in spite of the raise in the figures expressing their pay in money terms. It is unnecessary to make any further analysis here to illustrate the point. It is merely a matter of arithmetic.

The British Board of Trade made an inquiry in 1905 into

working-class rents and retail prices of necessaries, together with the rates of wages in certain widespread occupations, taking within its scope the largest possible number of controlling localities in the British Islands. There were 88 localities covered, including London. The inquiry extended from Dover to Limerick, and from Plymouth and Devonport to Aberdeen. There were three classes of occupations embraced in the inquiry. The first class was that of the building trades, embracing bricklayers, carpenters and joiners, masons, plumbers, plasterers, painters and laborers. The second class was that of the engineering trades, embracing fitters and turners, pattern makers, iron molders and laborers. The third class was the printing trade, embracing compositors.

The inquiry was repeated in 1912. The report compared the results obtained in 1912 with those of 1905. The comparison shows the steady rise in the prices of necessaries, weighted according to consumption, and the same lagging behind of the money tokens that the worker gets in his pay envelope. The constant and continuous reduction in the worker's actual wages, namely, his purchasing power, is, according to the record, as little open to doubt in Great Britain as it is in the United States.

The report says in its introduction: "It will be observed that no attempt has been made to show the course of wages except for the period 1905-1912 in a limited number of occupations in which men find employment in nearly all towns." Again the introduction says: "A two-fold purpose is served by the present Enquiry. As in 1905, it permits of a comparison of the relative levels of rents and retail prices and of the rates of wages in the selected trades in the separate towns. Further, it records the amount of change in rents and retail prices, and in rates of wages in the selected trades between 1905 and 1912."

It is to be regretted that the British Board of Trade did

not extend its inquiry into the mining, manufacturing and agricultural districts. But we must be thankful for all that we can get from the morgan and his system.

The summary of this British report says that the advance of the retail prices of food and coal, weighted according to consumption, "in 80 of the 88 towns varied from 10 to 18 per cent. In 38 towns it was 13, 14, or 15 per cent. The minimum advance was 7 per cent at Portsmouth, and the maximum advance was 20 per cent at Stockport." The report says: "The somewhat wide range of changes in prices is, in the main, a matter of locality; the greatest mean increase was in Lancashire and Cheshire (15.8 per cent) and the least in the Southern Counties (9.8 per cent). In London the increase amounted to 12 per cent in the inner and middle zones, and 10 per cent in the outer zone. For the other geographical groups, the mean increases fell within the narrow limits of 12.4 and 15 per cent."

"The mean of the changes in prices (of necessaries) in the 88 towns amounts to 13.7 per cent, and this percentage holds true if the figures for the separate towns be weighted in accordance with their populations and London be omitted; if London be included, the weighted percentage increase is reduced to 13 per cent."

"There was an increase in rents and retail prices combined, between 1905 and 1912, in every town investigated. The amount of the advance ranged from 5 per cent at Swindon to 17 per cent at Waterford, but in 58 of the 88 towns it amounted to 10, 11, 12 or 13 per cent. For 16 towns, mainly in the South and East of England, the increase recorded was less than 10 per cent, and for 14 towns, mainly in Lancashire and Cheshire, it exceeded 13 per cent. Grouping the towns geographically the greatest mean percentage increase occurred in Lancashire and Cheshire (13.3) and the minimum increase (of 8 to 9 per cent) in London and the Southern Counties.

"Taking the mean of the percentage changes between 1905 and 1912 in rents and retail prices combined in each of the 88 towns, an increase of 11.3 per cent is arrived at, and if the figures for the various towns be weighted in accordance with their populations the resultant average is almost unchanged, viz., 11.2 per cent if London be omitted. The inclusion of London, however, with its six million inhabitants, would reduce the percentage increase for rents and retail prices combined to 10.3 per cent.

"The data which have been collected in regard to the cost of clothing during the years 1905-1912, show that the price of clothing, including boots, has risen during the past eight years. No general percentage increase can be given, but it seems clear from the various tests applied to both the raw materials and the manufactured articles, at different stages, that the rise has not been much less for the same quality of article than for food, coal and rent combined."

As to wages, the report summarizes that "although in many towns rates of wages were at the same level in October, 1912, as in October, 1905, there was, on the whole, a distinct upward movement in each of the selected trades between the dates of the two Enquiries. The means of the percentage changes recorded for the separate towns show increases as follows: Building trade, skilled men, 1.9, laborers, 2.6; engineering trade, skilled men, 5.5, laborers, 3.9; printing trade, compositors, 4.1."

Thus we have it again from morgan sources that whilst the prices of living necessaries went up 10.3 per cent in Great Britain during a period of 8 years, that which is called wages advanced, in the most favored occupations, 5.5 per cent only, and in the least favored occupation, 1.9 per cent only. This means that during the eight years, the actual wages, namely the purchasing power of the pay envelope, declined. The skilled men in the building trade

found that the same amount that they could buy in October, 1905, for $10,00, cost $11.03 in October, 1912. For this their $10.00 had been raised to $10.19. In other words, they had suffered an actual reduction of 84 cents in every $10.00 of their wages of the year 1905, despite the fact that the figures opposite their names on the pay roll were larger.

The laborers in the building trades suffered a reduction in the same way. Their $10.00 of 1905 that should have been $11.03 in purchasing power in 1912, were only $10.26. So they found themselves 77 cents short. They had to manage with the smaller sum, and are now told by the British Board of Trade that their wages are having "a distinct upward movement."

The skilled men in the engineering trade fared better than all. These got a 5.5 per cent raise in their pay envelope with which to meet the 10.3 per cent raise in necessaries. So their $10.00 of 1905 that should have been $11.03 were $10.55. Therefore their reduction on every $10.00 of 1905 was only 48 cents. . .

The printers and the laborers in the engineering trades stood pretty close together. The printers lost 62 cents from the purchasing power of every ten dollars in wages of 1905, and the engineering laborers 64 cents.

No one will accuse any of the men who gathered the data of this chapter, either in Great Britain or in the United States, with trying to favor the gentile as against the morgan.

CONCLUSION.

The gentiles are all slaves of the morgan under his system. The personality of the morgan for the time being cannot be of the least consequence. Whether one man or another is the morgan, it is caesarism just the same; and whether he was lifted on the shield of the Pretorian Guards, was placed in his position as heir of his father, "got there" by bribery or by murder or by some manner that might be deemed meritorious, cannot make the dominance any the less caesarian.

Those gentiles that are of the second order and popularly called the middle classes, those that get their livelihood by some work, eked out and assisted by a little "capital" with which they exploit the gentiles of the first order, are slaves under the morgan system just as the gentiles of the other orders are. If the limbs and bodies of these middle class gentiles in the second order be not so much galled and calloused by their bonds and manacles, the calluses on their minds make up for it many times.

The so-called middle classes imagine themselves capitalists, although they are compelled to get their livelihood in large part by their personal exertion. Much of that personal exertion is devoted to driving and oppressing the gentiles of the first order; and even at that, they do not get anything like what they should have out of life compared to the amount of exertion they put forth, or compared to what they would get were they able even without any "capital" of their own to direct their efforts entirely to value-producing ends, instead of directing them in most part to value-filching ends as at present. The so-called middle classes constitute the buffers between the morgan and the gentiles of the first order. The wearing life of the

forager is theirs. They are subjected to pressure from both sides. They are constantly ravaging the resisting gentiles of the first order, and are in their turn ravaged by the morgan of by far the greater part, if not all of their plunder.

The gentiles of the second order perform the service of hunting-dogs for the morgan. They are his beagles, hounds and retrievers. They get but a small morsel of the prey that they bring to their master's bag.

Although the position of the gentiles of the third order exposes them to the most contemptuous disparagement, their true interest as gentiles is with the gentiles of the first and second orders. There can be no emancipation of any one order of the gentiles from the thralldom of to-day without the emancipation of all three orders. All three orders of the gentile class are enslaved. Be it remembered that Master Dawkins, "The Artful Dodger," Master Bates and Bet and Nancy were all of them also the victims of Mr. Fagan, the "respectable old gentleman" that Dickens tells us about, although they accepted him for their pattern and teacher in their chosen business of lying and stealing. Their choice was not a free choice, but it was imposed upon them by their environment.

I stated above that the calluses on the minds of these gentiles of the second order called the middle classes make up for the absence of calluses on their limbs and bodies. There is nothing more pitiable than the average mind found among the shop-keepers and wage-slave drivers. Their habits of thought, their occupation and environment have so foreshortened their minds that they cannot view anything otherwise than with an eye to individual gain. They measure everything by the dollar.

The tribute-taking morgan, whether slave-catcher, slave-owner, proprietor of baronage or of mines or of factories, or of any of the resources of nature or the means of pro-

duction or the agencies or means of distribution or exchange, in all his multifarious masks, is worse than an unnecessary incumbrance in this day and age. His one aim and object has always been and is the seizing of power over others. It cannot be even said to his credit that his rapacity was or is for his own personal gain or benefit, though he may stupidly think that to be the case. When a man has everything that he can possibly want for his personal comfort and enjoyment he can gain nothing additional by claiming the right of disposal over more. When he acquires such power as that, he gets only one thing, and that is power to domineer over other people's lives.

The morgan's dominance is the cause of all that society is suffering from to-day. All we need is to understand this. Then we shall soon find ways and means to throw off his rule. We are ground into the earth by that power which intercepts production, seizes the resources of nature and the tools, and thereby dictates the conditions under which the rest of mankind must live.

Most gentiles are still obsessed with the idea that we cannot get on without a morgan for our master. However that may have been in ages past, we do not need him now. The feudal lord ostentatiously made himself necessary as a sham protector for a long time after all real need for his services had ceased. But there came a time when he could not make himself seem necessary any longer, and he had to go. He was sloughed off just as nature sloughs off all dead limbs and useless members.

When a limb on a tree dies, the wood in that limb gradually loses its tensile strength until finally a gust of wind blows it down, or it breaks off and falls of its own weight. A competent forester will not wait until the dead limb falls of its own weight. He detects the dead wood long before it is ready to fall and notes when the limb begins to die. He knows then that if this useless wood be per-

mitted to remain on the tree it will impair the growth of the tree as well as its health. So the forester removes the dead and dying wood as fast as it appears. He does not thereby hamper or impede nature. He removes the obstructions from her course so that she may operate more freely in her work of production.

The farmer in cultivating his field does not obstruct the course of nature. He wants more potatoes. His efforts are to clear his field of the things and growths that draw sustenance away from the potato plants, or otherwise prevent them from bearing.

The morgan is dead wood now, he is an obstruction, an encumbrance. He impedes and obstructs the further growth of human society. Worse than that, this dead substance has become a foreign substance, as much out of place as a thorn in a living hand. It has already produced a festering sore.

The morgan has not for a long time furnished and does not now furnish any "brains" for useful work. He does not and has not for a long time furnished any of the "brains," mediocre though they be, that sustain his institution. These "brains" are all supplied for hire by the mercenary gentiles of the third order.

The gentiles supply all of the workers, including both the brain workers and the manual workers, if we concede here an essential difference. They supply the artists, inventors, writers, teachers, architects, engineers, superintendants, mechanics, laborers, farmers, miners, clerks, porters and distributors. They furnish the great mass of workers also that do the wholly unnecessary work that the morgan's rule dictates. On the other hand, the activities of the morgan are all designed and calculated for show, and to dominate industry and thereby to domineer over the human race.

There is not the slightest reason to suppose that those

who now do all the work, both mental and physical, for the reward of a bare living, would not be able to do the same work, as well as they do it now, if we cut off the morgan's power and let him take his place among the gentiles. All indications are that the value-producing gentiles will be able to do very much better when the incubus shall have been removed.

With the emancipation of labor from the bonds of useless and wasteful work and the opening of more and greater opportunities for useful and productive occupation, that would result from the tearing away of the morgan's barriers and drains, there would come a new dispensation. With the morgan dethroned, one general result would be inevitable. All artificial restrictions for purposes of private profit would fall away, resulting in a natural scientific regulation based upon an unhampered understanding. It would not and could not be for any purpose of controlling prices or markets. It could only be for the purposes of natural and necessary production, for there would not be any private countervailing interest.

With the enormous profits of the morgan eliminated, and production emancipated from his rule, there would be such an abundance for all, as no man to-day can compute or appraise. No one could then strut over the necks of others. In the absence of any interest adverse to co-operation there would not and could not be any influence adverse to co-operation. It is perfectly safe to say that every one, even the mediocre, could live upon a basis that under present conditions requires an income of $5,000.00 a year for each household. The number of those in the United States who can have so good a living now is less than one per cent.

When the national law taxing incomes over $3,000.00 a year of the unmarried and over $4,000.00 a year of the married, was recently enacted, the news despatches stated that it was estimated by the administration at Washington

that only about 425,000 of the 100,000,000 people in the United States could be required to pay the new tax.

It is futile to try to give any detailed description of the future state or society. When James Watt invented the steam engine, he could not have foretold the results that we now see of the utilization of the power in the expansive property of steam. Neither he, nor any one else could have described a modern express train or transatlantic steamer. It would have been silly and unfair to have asked him to do so. It would have been equally foolish if Watt had tried to foretell all that the development of steam power has brought. Yet, nothing that Watt could have been led into saying could have in the least degree detracted from the efficacy of steam power as a civilizing influence.

When those of our ancestors who were not content with the crab apple, or the stunted horse, or the pig, or the ox of their day, began to study those subjects methodically and to apply scientific knowledge thus obtained, and to that extent to rely less upon mere luck for better crops and better fruit, better meat and better work-animals, they could not have described any of the many kinds of apples that are produced to-day, or any of the better work-animals now available.

When a man sets out an orchard, he cannot give a detailed description of the trees that in later years he expects to gather fruit from. If he has made an intelligent study of arboriculture, he will, at the most, be able to give only such a general forecast as to make it reasonably safe to assume that the results will pay for the labor and outlay in planting and attending the orchard.

No artist could paint a portrait of a man as he will be twenty-five years hence, just from viewing the new-born child.

The wildest, or most disorderly portrayal by anyone, of

the society that will result from the taking over of our own, and the administering of it for our own common good, cannot afford the least argument against our right to take over our own. Detailed forecasts of the future society, so far as present discussion is concerned, might all be placed in the same category with the idle talk of "What I would do if I were a multi-millionaire."

There is but one primal thing to do, and that is to dethrone the morgan. This can be done only by abolishing all property rights in the resources of nature and the means of social production. From land owner to banker, the morgan's reign must cease.

It is necessary here to understand also that with the overthrow of the morgan's rule it will be vitally necessary to have a sane and scientific administration of affairs for the common good, introduced at once. This must be, in order to prevent a recurrence of the morgan's reign. The essential feature of morgan rule is authority exercised "from above." The basic principle of this new administration must be that all authority must come up from the "bottom," as it did in the times of our gentile ancestors.

Unless such a principle of administration be understood and introduced at once when the morgan is overthrown, the morgan will return to power. The cunning and strategem of politicians will restore him. If any one, or any set, be entrusted with the exercise of authority to formulate and enforce policies of administration, it must be expected that he or they will at once begin to construct a political machine, or organization, to domineer, to entrench himself or themselves and to perpetuate themselves in that authority. Therewith and in them the morgan would appear again.

The administrative policies could not be otherwise than simple when all of the tangled skein of "business" shall have been thrown aside. Then too a higher intelligence in

all men must inevitably result from a better life and more leisure. Under such conditions the deciding upon administrative policies, and upon directions for those chosen to attend to the co-ordination of the different departments of any industry and of the different industries, should not present any difficulties whatever. With the matters of each industry left to the decision of those in that industry, we should soon have all of our affairs administered by experts in their respective lines.

The rest will follow as a natural consequence. When there shall be no longer any private ownership in the resources of nature or in the means of production, there will not be any legitimate interest in private control. When there shall be no opportunity for anyone to hold the resources of nature or the means of production, as his private property, vast private fortunes will be impossible. There will be no lure to the acquisition of vast private fortunes. Though every man may then be conceded the right to buy and own an automobile, he will not have the right to acquire or own the automobile factory, or to corner the automobile market. Though every man may then own as many suits of clothes as he likes, he will not be permitted to own the woolen mills or the cotton mills or any other mills or factories where other men work, or to seize and own all of their product so as to intercept distribution or to oppress others or to take private profit from the labor of others. It will make no difference how much "money" a man may have, he will not be able then to acquire any of the sources that supply the things that the rest of humanity must have to satisfy their wants. He will have no more right or opportunity to acquire such things, as his private property, than he has today to acquire ownership of the Capitol building at Washington or the Post Office, or any other public building.

One might reasonably expect that under such conditions

a great fortune, so-called, would have no attraction, that man's activities would be turned from the grabbing and gambling business to the arts of producing the best comfort-affording and pleasure-giving goods. It will not be unreasonable to expect that the haggling, bartering and huckstering of to-day will cease because antiquated and outgrown, and a waste of time and labor; that distribution will be scientific and simple, that each member of society will receive according to his needs, and perform according to his ability.

We must bear in mind that every human being is entitled to his share of the free goods of nature whether he works or not. No one would think of shutting off the air from anyone, or of depriving him of sun-light or sun-heat or of water or of the pull of the earth that holds him to the planet simply because he does not work. No one would seriously urge that society has a right to inflict any such pains and penalties. The right of every individual to partake freely and without measure of the things enumerated will be conceded by all. There is however no difference between our right to those things and our right to the rest of the free goods in nature's vast store-house.

The robin goes to market without any money, without any collateral security, and without credit. Yet he brings home food for his family. He builds his nest without renting or buying the land or the fork in the tree, and without paying anything for the raw material. The food, the tree and the raw material are furnished by nature, free for all robins to take according to their needs. No robin takes any more. No robin can take any more. No robin asserts a property right in any more than he and his family can enjoy. No robin forbids another robin to take that which he himself and his family do not need for their comfort and their enjoyment of life. No robin finds pleasure

in forbidding other robins from taking that which he himself does not and cannot want.

Are the rights of human beings any less? Are these rights rendered less sacred because entangled with artificially created considerations? If it be conceded for instance that the usefulness and the comfort-giving qualities of the free goods of nature are increased from say 100 units to 500 units by human effort and attention, and if it be further conceded that some sane and able-bodied man would refuse to work under condtions that will insure to him the undisputed ownership of all the value that he can produce, yet with all that, this unimaginable lazy man is still entitled to receive and to have his full share, or the equivalent of his full share, of the 100 units provided spontaneously by nature. If he can content himself with his share of nature's 100 units, as the robins do and as Diogenes did, who can justly gainsay him the right to do so? Diogenes, we are told, was content to sleep under a tub. Yet who will say that he was not within his right? All the known world of that time honored Diogenes. Still he had nothing and did not work at anything considered worth while by the morgan. Diogenes would be jailed as a vagrant were he living among us to-day.

We have no reason whatever to believe that there ever will be so many Diogeneses or Rip Van Winkles as to have any considerable influence upon society, or that such an influence would be other than beneficial.

The natural inclination and imperative need of every human being is to be occupied. Drudgery kills. Purposeful effort, without wearying, is pleasurable. Many of us are denied that pleasure by the owner of the material and the tools needed for work. Many are permitted only occasional and casual employment and that only under conditions that are wearisome. All that get employment are despoiled of fully five-sixth of what they produce. All are

deprived of the pleasure that should be found in healthful, fruitful employment. Instead of having that pleasure, they are tortured into producing more and ever more for the morgan's private profit. Therefore steady employment means steady drudgery for the great majority of productive workers.

The abolition of all property or private control in the resources of nature and the means of production will as a matter of course have a far-reaching effect on the functions of what we now call the state. It is well, here, to be reminded that the state has two chief, or general functions, namely, governmental and administrative. The governmental is at present the principal and predominating function. This is to maintain the existing state of things by force, either applied or paraded. It is seen in the sheriff's truncheon, in the policeman's club, in the soldier's bayonet; it is seen in swords, muskets and cannons, all directed by the courts, back of which are the statute-making legislatures, the governor, the president, the king.

Over ninety per cent of the activities of the governmental side of the state arise out of matters attributable more or less directly to the private ownership of the resources of nature and the means of production. Of the remaining ten per cent of the governmental business, it might well be said that the greater part is due indirectly to the same cause. A very small percentage of human activity calling for adjudgment or avengement, is due to "natural lawlessness" or "perversity of human nature" so far as anyone can now show. And even this small abnormality may be due to pathological conditions.

When ninety-five per cent of the occasion for the exercise of the governmental function of the state shall have fallen away, it would not be unnatural or surprising to see also ninety-five per cent of the governmental side of the state disappear, dry up and blow away, so to speak. We

should then have realized Thomas Jefferson's expressed ideal that the least government is the best government, in a much fuller sense than Thomas Jefferson could ever have dreamed.

It would also be quite natural then to be without wars or thought of wars. Every war that ever was waged grew out of quarrels over private ownership of things that should not be owned privately. When there will be no more "vested" interests of the morgan to protect in those things, there will not be anything to fight about, and it will not be possible to force any more wars upon us.

On the other hand, the state's functions of administration, now secondary, would doubtless become by far the most important functions. Of course this could be a rich field for graft and corruption if there were contracts to let, or private "vested" interests to subserve. But as none of these things could be, there could be no graft or corruption, there could not be any occasion for graft or corruption. Statesmen could not control the patronage of even a street sweeper's job, for every man would have the right to work without the "aid" of a statesman to get a job for him. His right to work would be as secure as the right of a child to walk into a school and get an education.

Another result might reasonably be expected, it seems to me would be inevitable. That would be the disappearance of the politician. There would be very little, or nothing for him to do, or to make even a hollow pretense of doing. When there are no longer any adverse private interests to subserve, no contractors' rings, no private profits, no self-serving deals possible, no one will think for a moment of turning industry over to the management of aldermen, or of subjecting administration to law or ordinances enacted by politicians representing or misrepresenting territorial districts, instead of representing industries, occupations or callings. There would be nothing in it for the

politician. The politician would probably be sloughed off, in short order, or in greater part at least.

The management and regulation of the Post Office Department or of the life-saving service is not now in the hands of the men of "superior brains" in Congress. The Panama Canal was not dug by or under the supervision of congressmen. Large corporations do not entrust the administration of their business to men with no other qualifications than those of being representatives of certain territorial districts. The public schools and fire departments in the cities are not conducted by or under the superintendence of aldermen representing territorial wards. If these gentry still have something of an evil influence, it does not mean that such influence would not be completely eradicated, sloughed off in the natural way, if not amputated.

The stream follows its own course when unobstructed. So here, in the absence of interests to determine a different course, there seems to be but one general administrative policy possible. And that is to have the management of every industry, occupation or calling intrusted to those competent to manage that industry. That is the easiest way. And the most competent are those engaged in that industry, occupation or calling. That those engaged in the shoe industry for instance are more competent to manage a shoe factory than any one else can be needs no argument as a general proposition. They are most able to decide upon and choose such managers, agents and superintendents as productive operation may require. The same is true of all other industries, employments and occupations.

Representatives from the various industries, occupations and callings could attend to all matters of co-ordination without any aldermanic fuss or feathers. Distributors could likewise attend to the distribution of goods. There

could be no inducement for anyone to intermeddle in things outside of his line. He could gain nothing by so doing.

The politician for the most part would be as much out of place as the cat in a strange garret. The laws would probably be so few and so much simpler than even the ten commandments are, that they could be voted upon without the intervention of the politician. Those running the machinery of the governmental side of society would probably have very little to do, indeed.

The great problem of crowded cities might also solve itself, or at least might do so in great part. The amount of human labor, human life and material that is now worse than wasted in the large cities, all as a consequence of the institution of private property in the resources of nature and the means of social production, is incalculable.

"Back to the land" might very well have a different sound and meaning when there will be no more exploitation of labor, and when employment will no longer be casual; when every man will have a right to employment and to receive all the value that he produces, besides his full share of nature's free goods, when no man can call himself the private owner of immense tracts of fertile land, and drive others to choose between wage-slavery in occasional employment, and the performance of backbreaking work to pay rent, purchase-price or interest, for sterile hillside lots; when agriculture, horticulture, stock-raising, etc., etc., will be conducted with the latest and best machinery and implements, under the latest and most scientific conditions, with social management; when every man will feel and realize that he is part owner and will feel the incentive of personal participation in all the gain resulting from the best effort that there is in him, put forth in intelligent co-operation with others, to say nothing of the esteem of his fellows; when there will be no master and no mere hand.

The marital relations will also very likely be much affected by the changed conditions. Marriage to-day is mostly a mere matter of convenience. Gentile women of the second and third order are taught to select their mates with a view of getting husbands that have the requisite gambler's ability to play the game so that they may be assured of "respectable" homes and livelihood. Gentile women of the first order are taught that they must try to get men that can "make" a living for them. Many women want only to make a commercially good match. Such is the teaching they receive. Men are influenced in taking wives by the desire to marry "right." What constitutes "right" varies in individual cases. There are millions of gradations, running all the way from a job to a million dollars in money. With the women of the morgan circle, it is a matter of social position based upon wealth.

When every man and every woman will have a right to a good job, when the possession by one of a million dollars will not give any advantage over another in getting a livelihod, if we concede that a man might have a million, it seems plain that the consideration of such things will not and cannot enter, to any effectual extent, into the matter of selecting a spouse. It seems quite natural that men and women will then be drawn toward each other because of mutual personal attractions. Natural selections are likely to have freer play, the course of nature to be less diverted or obstructed than now in the chosing of a husband or a wife. Under such conditions more marriages are likely to be love matches and fewer are likely to end in the divorce courts.

It may also well be that the endless clatter of coin and shuffle of paper money will be considered useless; that the employment of thousands of human beings at the keeping of books of the mine and the thine of things, when there is an abundance for everyone, will be regarded as so much

useless and unnecessary waste of labor. It may well be that all such antiquated methods of wasting labor and material will abrogated. It may well be that the difference between present methods and the methods then in vogue will be like the difference between going into a cheap restaurant where every lump of sugar is counted and the stepping into the banquetting hall of the prosperous where no account is taken of the things consumed by the guests.

These are all matters of administration and of detail. They do not effect substance or principle.

It is of no benefit to discuss now the details or the machinery of an administration to be evolved in a society to result from an abolition of private property in the resources of nature and the means of social production. It should be sufficient to know that there could be no public or private interest adverse to its natural evolution.

Nor is it of any importance to discuss now the method of getting rid of the morgan. Whether this be by an outright confiscation of his so-called property, with or without pensioning him off, or by condemnation proceedings and compensation, or if his compensation be offset by graded taxation. If he should be paid a sum from the surplus of gold, or in paper or bonds, it would only amount to an empty ceremony. The so-called money would not be of any value to him. He could not make any use of it after he had gotten all of the things of life that he could need or use for his comfort and personal pleasure. He could not buy up lands or railroads or mines or ships or telegraph or telephone lines or mills or factories or depots of distribution or the supply of food or clothing or any of the other things needed by the rest of humanity. He would not have the right to acquire these things in quanities for the mere gratification of hoarding them or to exact profit, for that would be an interference with the free exercise by the commonwealth of its function of production and distribu-

tion. He would not be permitted to corner even the gold so that the rest of us could not get enough of it to fill our teeth or supply other needs. The morgan could only have all the material things that he might possibly need for comfort and personal enjoyment. Beyond that, his "money" could not reach, and therefore would be equivalent to mere "stage-money."

It is sufficient to forecast that when once we have abolished private property in social things, that our administration of these things cannot be for the purpose of private profit of any kind whatsoever. Private profit would, to an extent, be private property in the things from which the private profit is obtained, and would be hostile to democratic control and management.

There can be but one aim and goal in the forward movement of society, and that is the complete overthrow of private ownership in the resources of nature and means of social production, and the inauguration of democratic administration in place thereof. Until that is achieved, there can be no peace.

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